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U.S. Balloonists Hailed on French Landing

Mobbed by Thousands In Field Near Evreux

EVREUX, France, Aug. 17 (UPI) — Three U.S. balloonists who made the first balloon crossing of the Atlantic landed this evening in a wheatfield 50 miles west of Paris and were immediately mobbed by thousands of jubilant admirers.

The touchdown along the trail blazed 50 years ago by U.S. aviator Charles Lindbergh was at 7:50 p.m. A French radio news announcer called it a historic flight.

As the tired but grinning balloonists — Albuquerque, N.M., businessman Ben Abruzzo, 48, Maxie Anderson, 44, and Larry Newman, 51 — climbed out of their gondola, they were mobbed by about 4,000 people who had driven along highways and back roads to follow their progress across the French countryside.

"I cannot believe this welcome. This is unimaginable to me," said Mr. Abruzzo.

The Americans immediately uncorked a bottle of champagne they had carried to celebrate their feat.

French Cabinet ministers, Transport Minister Josy Thiebaud and Youth and Sport Minister Jean-Pierre Soisson, were on hand to greet them as their silver-and-black, helium-filled balloon, the Double Eagle II, landed in the tiny village of Misery near here six days after taking off from Presque Isle, Maine. Virtually the entire population of the village was on hand for the landing.

The Americans flew the Stars and Stripes and the French tricolor from their gondola and an escort of civilian planes and helicopters buzzed overhead.

They had hoped to land at Le Bourget outside Paris where Lindbergh landed in his single-engine Spirit of St. Louis on May 21, 1927, the first to fly alone across the Atlantic.

But after the balloonists had crossed the French coast above Le Havre, the winds shifted and their craft drifted to the west of Paris. They interrupted their descent at an altitude of about 1,500 feet at one point in a futile attempt to maneuver their craft closer to the French capital.

The U.S. Embassy in Paris said that the balloonists would be guests at the residence of Ambassador Arthur Hartman. One of them was to sleep in the Lindbergh bedroom. The bedroom holds what the embassy calls "the Lindbergh bed," a gray wooden single bed in which Lindbergh slept after his landing.

The Americans, who had drifted over Ireland last night to become the first balloonists to cross the Atlantic, were sighted over Le Havre, 100 miles northwest of Paris, at 4 p.m.

2-Mile Altitude

The 11-story high balloon was traveling at 31.4 miles an hour at an altitude of two miles when it reached the English Channel.

Throughout the morning, radio stations in France asked lis-



Crowd greets balloonists who landed near Evreux, France, yesterday after crossing Atlantic.

teners to telephone when they spotted the balloon.

The balloonists' wives had flown from London to Deauville, where they were conversing by radio with their husbands. "Do you think they'd let them land on top of the Eiffel Tower?" Patty Anderson asked. "Wouldn't that just be perfect?"

An admirer at the British Balloonist Society said that the

Americans were taking part in the last great adventure in aviation. "The Atlantic is the big one," he said. "It's the Everest of ballooning."

The balloonists crossed Ireland's west coast yesterday at 10:02 p.m. about 15,000 feet above Louisburg in County Mayo.

"We are on top of the world," Mr. Anderson radioed to the Bal-

ly Green station. "All three of us are jubilant. We almost jumped out of our skins when we reached the Irish coast. . . . We've just brought a big one home."

At least seven men have died in 17 attempts to cross the Atlantic by balloon. In an attempt last year, Mr. Abruzzo and Mr. Anderson were forced to ditch near Iceland after a 66-hour flight. An

(Continued on Page 2, Col. 3)

Cites 'Common Objectives' With Peking

Hua, in Bucharest, Endorses Romania Independence

By Dusko Doder

BUCHAREST, Aug. 17 (WP) — Chinese Communist Party Chairman Hua Guofeng last night endorsed Romania's independence by asserting that the two countries shared "common objectives" and that China was not afraid of war against those who want "to rule the world."

In his speech, Mr. Hua did not name the countries that he said were seeking to dominate the world but he criticized "imperialism and hegemonism," an obvious reference to the United States and the Soviet Union, respectively.

Given the state of Peking's relations with the two superpowers and the fact that Romania has been under pressure from the Kremlin, Mr. Hua's remarks appeared to have been addressed to Moscow.

The Romanians have been at odds with the Kremlin over their independent foreign policy and have been criticized for cultivating close relations with China.

'Important Objective'

Recalling that two world wars were started in Europe, Mr. Hua said that "today Europe has again

• The Kremlin is showing its fear of China's ambitions. A news analysis: Page 2.

become an important objective disputed by some big powers that try to rule the earth."

"Faced with the danger of a new war," he said, "the people are becoming growingly aware of it [and] are rising to struggle at various levels against the forces of war." He said that if the powers want to initiate a new war, "we are not afraid."

Asserting that former world empires had "turned to dust," he said that "those who hold in vain the belief that they can rule the world, even if they may enjoy their reign of terror for a while, will meet the same fate in the end."

In what seemed to be a pledge to seek Romania as it continues to pursue policies independent from the Soviet Union, Mr. Hua said that China and Romania were bound by "common destiny" and that "the common objectives — defense of independence and sovereignty and building socialism — unite us still more."

Mr. Hua delivered his speech at

a banquet in his honor that was attended only by Chinese and Romanian officials. The text was published today in the Romanian newspaper Sciantia.

Although Mr. Hua avoided any attacks on the Soviet Union — a departure from custom in recent speeches by senior Peking figures — his message to the Russians was clear.

President Nicolae Ceausescu last night expressed appreciation for

"the growingly important role that the People's Republic of China is playing in the world arena."

Mr. Ceausescu also spoke about the "growing tendencies of reducing the zones of influence (and of promoting the policy of domination in various parts of the world)." But he was more restrained and oblique than his Chinese guest.

Romanian officials displayed nervousness today and sought to portray the unprecedented visit by

models. Moslem radicals want an "Islamic government" run by the clergy.

In Beirut, the Palestine Liberation Organization today denied the charge. "It's absolute nonsense," PLO spokesman Mahmoud Labadi said of the allegation, by Mr. Homayun.

Soldiers with rifles and machine guns took up positions at streets leading to the bazaar and prevented people from entering the area. Yesterday police had fired tear gas at striking Moslem merchants.

Fifteen people were killed and several hundred injured in clashes with police last week in the southern cities of Isfahan and Shiraz. Martial law remained in effect in Isfahan today for the sixth day.

"Islamic Government"

Mr. Homayun said that the aim of the rioting and a propaganda campaign was "the overthrow of the regime, the collapse of our social and political order."

The radical Moslem opposition

movement is led by Ayatollah Ruhollah Khomeini, who has lived in exile in Iraq for more than 15 years. His following has increased with the upsurge of an "Islamic government" campaign by opposition mullahs, and he has asked

adherents to ignore the shah's democratization program.

Mr. Homayun said that the shah's plan for democratic elections in 1979 would go ahead, although the radicals' actions could cause difficulties.

"Failure could result in a new conflict in the Middle East which

could result in a national security problem for the United States," Mr. Carter said during a televised news conference.

"It is a very high risk thing for me politically," he said. "If we are unsuccessful . . . I will have to share part of the blame."

Mr. Carter began the news conference with an announcement that he will veto the \$37 billion defense spending bill passed by Congress, partly because it cuts funds from his high-priority NATO program in order to fund a \$2-billion aircraft-carrier program.

The president informed congressional leaders of his decision earlier in the day, and House Democratic Leader Jim Wright said the veto message to Congress, "if couched" in the same terms as Mr. Carter's explanation to House and Senate leaders, should result in Congress sustaining the rejection.

White House officials said the primary concern is not the nuclear carrier itself. "It is what they want

to cut to buy the carrier," said one of them. "They wrecked the program for improving NATO . . . to buy this big expensive thing that nobody needs."

Leaving the White House meeting, Sen. Alan Cranston, D-Calif., told reporters, "The president told us he is going to veto the bill . . . I think the president made a sound decision."

Sen. Henry Jackson, D-Wash., described the situation as "an honest difference of opinion" but predicted, "It's going to create some divisiveness in the Congress."

"The president is simply asserting with a veto a long-held view that we don't need another nuclear carrier," Sen. Jackson said.

Upset by Deletions

Administration sources said that Mr. Carter was angered over deletions that congressional committees made in his defense budget to finance the carrier and other pro-

(Continued on Page 2, Col. 7)

Carter Holds News Conference

Dollar on Rebound On U.S. Statement

WASHINGTON, Aug. 17 (IHT) — President Carter said today that he is taking a personal political gamble with the upcoming Middle East summit at Camp David, but added that he was hopeful that all parties could "set a framework for peace in the future."

He also voiced concern about the deterioration of the dollar's value abroad, but he announced no steps to shore it up or to cut the U.S. trade deficit, which reached \$30 billion last year.

The dollar soared and gold plunged today, as the Carter administration told international for-

• Blumenthal hints at forthcoming aid for dollar. Page 7.

sign exchange markets what they have been waiting for months to hear. The reaction was loud and clear.

Gold tumbled from its record high as the dollar rose. Gold's price fell \$6.50 an ounce in London and \$7.75 an ounce in Zurich. Closing prices were \$208.375 in London and \$208.125 in Zurich.

Active Trading

Trading was "extremely active," in Japan and Europe, then slackened in New York.

In Frankfurt the dollar jumped almost 6 pfennigs. It closed at 1.992 marks from 1.975 yesterday.

In Zurich, it closed at 1.652 Swiss francs, compared with 1.5987 and its best value in a week. In Tokyo, where the dollar has lost a third of its value in a year, it rebounded to 185.455 yen compared with 183.75 yen 24 hours earlier.

In Paris, where the franc has strengthened dramatically this week, dealers boosted the dollar to 4.355 francs compared with yesterday's 4.2175.

Jump in Milan

Milan saw the dollar jump from a 29-month low to close eight lire higher, at 831.50 lire. Brussels priced the dollar up to 32 Belgian francs, compared with 31.435 yesterday. Amsterdam boosted it from 2.1025 guilders to 2.15 guilders.

In London it climbed steadily throughout the day, closing at \$1.94 to the pound compared with yesterday's \$1.9760, a dollar gain of 3.6 cents during the day.

In New York, however, the dollar fell sharply after the president's news conference.

The Middle East summit meeting, to be attended by Mr. Carter, Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat will begin Sept. 5.

"Failure could result in a new conflict in the Middle East which

could result in a national security problem for the United States," Mr. Carter said during a televised news conference.

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(Continued on Page 2, Col. 7)

Panel Focuses on His Movements

Ray Denies Atlanta Visit With Rifle Before Slaying

WASHINGTON, Aug. 17 (UPI) — James Earl Ray said today that he would "take responsibility" for murdering Dr. Martin Luther King Jr. if investigators could prove that he returned to Atlanta, the site of Dr. King's headquarters, after he bought the rifle that was used to kill the civil-rights leader.

Ray's whereabouts in the week before the killing of Dr. King in Memphis on April 4, 1968, became the focal point of Ray's second day of televised testimony before the House Select Committee on Assassinations.

Ray contends that he bought the rifle in Birmingham, Ala., on March 29, then took a "slow drive" to Memphis, arriving April 3, the day before Dr. King was shot. That same day, he said, he turned the murder weapon over to a mysterious man known only as "Raoul," and never saw it again.

"I'm sure I never returned to Atlanta. If I did, I'll just take responsibility for the King case right here on TV," Ray said when pressed on what he did after buying the rifle.

Rep. Louis Stokes, D-Ohio, chairman of the committee, said that the manager of the rooming house where Ray previously stayed in Atlanta saw him there on March 31. Rep. Stokes questioned Ray

about a laundry receipt that would appear to put him there April 1.

"I drove slowly from Birmingham to Memphis," Ray said. "I started on March 29th. I stayed one night in Decatur, Ala. And another day, probably April 1. I stayed in Corinth, Miss. I stayed in another city during that period, and I can't recall it."

Rep. Stokes tried to show that Ray was stalking Dr. King by stopping in Selma, Ala., on an earlier trip from New Orleans to Birmingham. Selma is off the normal route between the two cities.

Rep. Stokes tried to get Ray to admit that he had known Dr. King was in the Selma area. But Ray said that he got on the wrong road, wound up in Selma and stayed there overnight before going on to Birmingham.

Earlier, Ray contended that if he had shot Dr. King, investigators never would have found his fingerprints on the murder weapon.

"I would have wiped my fingerprints off the rifle if I knew it was going to be used in a serious crime," Ray said. He insisted that even as a petty criminal he was too smart to leave his prints behind.

Fingerprint Contention

It was suggested that he did not have time to wipe his prints off the rifle because he was in a hurry to flee the scene of the shooting.

"Usually you do that [remove the prints] beforehand — before the crime," Ray said. "There are several things you can use to prevent your fingerprints from getting on the rifle. Every novice knows enough to keep your fingerprints off a weapon if it's going to be used for a serious crime."

"I used flesh-colored Band-Aids [to prevent fingerprints] in the past," he said.

Ray's fingerprints were found on the rifle when it was recovered near the shooting scene.

"When we think about the fact that Raoul's fingerprints don't exist on that rifle at all, doesn't that indicate that Raoul doesn't exist at all?" Ray was asked.

"It doesn't to me," Ray replied.

Conflicting Stories

Ray admitted earlier today that he has given conflicting stories to House investigators, but said that these "small errors" do not dispute his denial that he shot Dr. King.

Ray said that at the initial testimony he gave to committee staff members at Brushy Mountain Prison in Tennessee was not based on a thorough review of the case.

"It was my intention to tell the truth," Ray said. "I wanted to be as factual as possible because of the problem of [my] credibility. There have been some small errors in details. Some confusion in dates."

Under questioning by Rep. Stokes, Ray said that he had told two stories about how his mysterious partner in crime, Raoul, inspected and approved the King murder weapon when it was purchased in Birmingham, Ala., several days before the killing.

Ray told investigators in Tennessee that he returned the rifle to a sporting-goods store and bought a second one that Raoul inspected. But in his initial testimony, Ray said that Raoul inspected the first rifle, but never approved the second one.

"Where I had the problem was that I thought I had purchased the second rifle the same day as the first," he said. "When I saw government documents that I bought the second rifle the next day, I realized I had made an error."

(Continued on Page 2, Col. 3)

To the FBI, Keeping Track of the Foreign Agents Is Not a Game

By Evan Maxwell

LOS ANGELES — Thousands of Communist-bloc officials, seamen and exchange visitors make up the bulk of the known potential spies in the United States — and they absorb a big chunk of the manpower that the FBI commits to the field of counterintelligence, according to an FBI official.

Certain areas on the Atlantic and Pacific coasts of the United States are particularly rich in spy-attracting defense industries and activities.

Although FBI officials are not always inclined to talk about it, there are, for example, more than 100 FBI agents in Southern California whose primary daily task is blunting the efforts of foreign spies and intelligence operatives.

And when special circumstances warrant, many of the rest of the 400-plus FBI agents in Southern California can be drafted as working counterespies.

According to one highly placed FBI official, when the Russians sent a delegation to a Los Angeles trade show last year, FBI agents had to be brought in from offices outside the state to help keep track of the 75 identified KGB operatives

and officers who were included in the 400-person delegation.

There is an unusual quality to the world of spies and counterespies, a quality that outsiders are tempted to call paranoia.

Some persons, for instance, might not understand the caution with which men like Herb Clough approach such things as the telephone.

Mr. Clough, 51, is special agent in charge of the criminal-intelligence section of the FBI's Los Angeles division, and to him, caution about telephones is only sensible.

"Almost all long-distance calls, and a great many that go just across the street, go by microwave transmission," he explained. "Microwave is a form of radio transmission and therefore can be intercepted."

"We know, we have proved, that the Russian embassies and consulates in this country, as well as the Communist-bloc ships that use our deep-water ports, have been transformed into sophisticated monitoring stations that can tape microwave traffic and send it back to the Soviet Union for analysis."

"We also know that they have developed methods of flagging certain words, like 'Cruise missile' for

Pacific, Atlantic Areas Attract Hundreds of Spies, Aides Say

instance: any long-distance conversation involving that word can be pulled off the tapes and studied at length. It is a tremendous source of intelligence for them."

"Intelligence Awareness"

More than a quarter-century of counterespionage work has nurtured a natural caution in Mr. Clough. Part of his new job in Southern California is to impart some of that caution — he calls it "intelligence awareness" — to the public, particularly to citizens employed in the Southern California aerospace industry, a prime target of foreign intelligence efforts.

"Fully 50 percent of the government contracts in the defense area are given to companies in Southern California," Mr. Clough said during an interview. "Most of those companies have good physical security setups, but they are not immune to espionage. If one engineer, for instance, discusses his work with another on an unsecured phone line, the effect can be lost."

Mr. Clough came to Southern

California earlier this year from coastal Virginia, another area rich in defense installations, both military and industrial. With 27 years of experience in counterintelligence work, he speaks knowledgeably and with conviction about the increasing presence of foreign intelligence operatives.

Specific Missions

"We figure that there are about 2,300 Communist-bloc officials and their wives in the country right now," Mr. Clough said. "Based on information we have received from defectors and from other sources, we estimate that 40 percent of those officials are trained intelligence officers here with a specific mission."

Add to that the 20,000 Soviet seamen permitted ashore from Soviet vessels each year and the "thousands of exchange visitors" who enter the country legally.

These "official" visitors make up the bulk of the known potential spies in the country.

There are, in addition, the so-

3. Africa Police Held in Murder

JOHANNESBURG, Aug. 17 (AP) — Three policemen will be targeted in court with murder of a black man who was in their custody, the Natal Province attorney general said today.

This brings to nine the number of South African policemen currently charged with murder in the deaths of blacks in their custody.

The three were suspended from duty after the death of Paulos Kane, 22, July 13 in Empangeni on the Indian Ocean coast.

News Analysis: Kremlin Shows Fear of China Ambitions

By Craig Whitney

MOSCOW, Aug. 17 (NYT) — With China's leadership pursuing a global anti-Soviet foreign policy offensive in Moscow's backyard, there are increasing signs that the Kremlin is genuinely afraid that the result could be a shift in the strategic and political balance against it.

Soviet displeasure and fear of Chinese ambitions have been pouring forth in recent weeks in a propaganda campaign probably unmatched in intensity and bitterness since the Sino-Soviet split began in the mid-1960s.

Two key events in the past week — the conclusion of a treaty of peace and friendship between China and Japan, and the visit to Romania of Hua Kuo-feng, chairman of the Chinese Communist Party — have sharpened the nerve edges here perceptibly.

According to an East European diplomat, Mr. Hua accused countries practicing "imperialism and hegemonism" clearly meaning the United States and the So-

viet Union, of "spreading out their hands all over to infiltrate, undermine and commit aggression and expansion."

Before the visit, Romanian officials apparently assured their Soviet colleagues that not an anti-Soviet word would be made while Mr. Hua was on their soil.

The visit to Romania, which unlike the rest of the Soviet Union's allies in Eastern Europe has stayed aloof from the Sino-Soviet dispute, is of more symbolic than strategic meaning. Nobody here expects Romania to take Albania's place as China's bastion in the Balkans. Soviet comment on the visit has so far been low key and indirect, though the Romanians acknowledge that the Kremlin takes a dim view of it and that Soviet President Leonid Brezhnev so advised Romanian President Nicolae Ceausescu during a meeting in the Crimea early this month.

More worrisome, in Moscow's view, was China's conclusion of

the treaty with Japan last week-end, including a clause that Moscow had long denounced as offensive and aimed at its sphere of interest in Asia.

Yet Soviet anger over the wording of the treaty — a declaration that China and Japan oppose efforts by any other country to establish "hegemony in the Asia-Pacific region" — is the reflection of a deeper and broader fear.

Moscow fears that Japan has reached a turning point, away from preoccupation with itself toward a more active role in Asia and cooperation with China to increase its economic and industrial power. Japan hesitated five years over the possible damage to its ties with Moscow.

The Japanese went ahead, officials here say, after they concluded that the post-Mao leadership would be permanent and was interested in broadening ties to the outside world. But the Japanese also wanted to continue their burgeoning trade with the Russians.

As Moscow assesses it, Japan

decided on a course that will deepen its ideological and strategic conflict with the Soviet Union.

The view here is also that the Carter administration, especially its "confrontational" wing under the Zbigniew Brzezinski, the adviser for national security, has concluded that the United States and China share vital strategic interests despite the vast ideological differences between them.

Underlying the Soviet concern about China's foreign policy is a fear that the United States finally will move to normalize its relations with Peking and, inevitably, strengthen the threat to Moscow's entire eastern frontier, which is already bristling with troops and defense installations.

The Sino-Soviet split has had, since it began, a number of global implications. Ideologically, it set the stage for a rivalry for influence on the nonaligned countries of Africa and Asia. That struggle waned as China was torn by the chaos of its cultural revolution after 1968, but Mr. Hua

has signaled that the competition will intensify again by scheduling his visits to Romania and Yugoslavia this month, shortly after the conclusion of a conference of nonaligned countries in Belgrade.

Global Implications

Strategically, the split broke up the world Communist monolith and opened cracks into which Mr. Brzezinski seemed eager to drive wider wedges.

"You are encouraging the Chinese side in its view that war is inevitable," a Soviet commentator said in an assault on Mr. Brzezinski, "and you are injecting dangerous instability into international relations. The Chinese are trying to sharpen all the existing and possible points of conflict and you are urging them on."

Moscow also has accused the capitalist countries of letting themselves be blinded to China's radical hostility to Western values. But the West may be thinking tactically, rather than strategically, when it welcomes events

that irritate the Russians, such as Mr. Hua's visit to Romania.

According to a commentary in Pravda two weeks ago under the authoritative pseudonym I. Alexandrov, the Chinese were trying to draw "a perfidious design to provide a military collision between the Soviet Union and the U.S.A."

Last spring, in a reference to the conflict between Cambodia, backed by China, and Hanoi, supported by Russia, Mr. Brzezinski caused indignation here by calling it a "proxy war" between the Chinese and the Russians, though it was not clear whose interests were served by the fighting.

These irritations finally provoked the Russians into waging a propaganda counteroffensive that reflects more fundamental concerns than national pride or pretension to the leadership of the international communist movement.

With U.S.-Soviet relations under strain, some Soviet analysts are openly saying that the "Chinese card" could be the final blow to what remains of détente.

One of Interim Leaders

Rhodesian Chief Supports Talks With the Guerrillas

By Joseph Lelyveld

SALISBURY, Rhodesia, Aug. 17 (NYT) — Efforts by Britain and the United States to convene a new Rhodesian peace conference moved a step forward today when a black member of the country's transitional government announced his support for negotiations with the Patriotic Front guerrillas.

Chief Jeremiah Chirau, one of three black leaders in the interim government, issued a statement saying that the majority of the country's 6.7 million blacks favor fresh peace talks with the other two black leaders, Rev. Mubvumba Sibhole is said to be wavering on the issue, with Bishop Abel Muzorewa opposed.

"Whether we like it or not, the majority of our people want an all-party conference, and we must listen to their voice," Chief Chirau declared. The statement was considered particularly significant since the 54-year-old traditionalist rarely takes a public stance at variance with the views of Prime Minister Ian Smith.

Privately, Mr. Smith is thought to favor the conference, which British and U.S. officials would like to convene soon, possibly next month. However, the 59-year-old white leader has been reluctant to declare his position for fear of provoking a public split with Bishop Muzorewa.

In the wake of Chief Chirau's statement, attention was focused on a speech Mr. Smith is to make tomorrow to a political gathering in the industrial city of Bulawayo. One possibility was that the prime minister would use the occasion for gathering support for Rhodesian Front Party, to endorse the U.S.-British call for talks.

No venue has been proposed for the conference, but it would almost certainly be at a neutral venue, probably in Africa. One possibility is the border between Rhodesia and Zambia at Victoria Falls, where a previous round of peace talks was held in 1975. On that occasion, the talks took place in a railroad car stationed on the bridge that connects the two countries.

Chief Chirau's statement was a boost to the British and U.S. negotiators currently in Salisbury, John Graham and Stephen Lowan, who have been shuttling between black

and white capitals in southern Africa for months in an attempt to arrange a conference. They will now have to persuade Bishop Muzorewa, who reiterated his opposition to the conference Sunday.

Lebanon Assaults Israel, Charges Intervention

BEIRUT, Aug. 17 (UPI) — Lebanon accused Israel today of "base intervention" in its southern border region where Israeli-armed Christian militias have opposed deployment by the Lebanese Army.

Senior government sources said the assistant UN secretary-general, Brian Urquhart, would fly to Beirut tomorrow and then to Jerusalem in an urgent bid to end the impasse. Lebanon is considering calling for an emergency UN Security Council session but is divided on the move, senior government sources said. They said a decision would be made within days.

Premier Salim al-Huss, commenting on an Israeli statement yesterday that militia control of the border area was important to Israel's security, said: "The Israelis are hiding behind false claims and pretexts to stand in the way of [restoring] legitimate Lebanese authority in the south by making it impossible for the army unit to proceed."

Iraqi Reported Killed in Libya; Gunman Seized

BEIRUT, Aug. 17 (UPI) — An unidentified assailant murdered an Iraqi Embassy employee in the Libyan capital of Tripoli today and then bystanders and embassy workers wrestled the gunman to the ground, the Iraqi News Agency reported.

Initial reports speculated that the murder of Hussein Mohammed Ali, 50, was the latest round of terror between moderate Palestinian guerrillas and radical Iraqis. But the Iraqi gave no hint about who they thought was responsible.

The report from Tripoli said that the gunman fired six shots at Mr. Mohammed Ali as he entered the embassy and that three struck him in the chest. He was rushed to the hospital but died minutes after arrival, the report said.

Dollar Is on the Rebound After Statement by U.S.

(Continued from Page 1)

grams they wanted to increase, such as buying more combat aircraft.

The deletions cut deeply into Mr. Carter's plans to step up fighting capability and readiness of U.S. forces in Europe, the sources said.

House Speaker Thomas O'Neill predicted that the House would sustain the veto and "we [Democrats] will all be doing our part" to do so.

The House begins its Labor Day recess today, and Mr. O'Neill said the veto would be considered shortly after the House returns Sept. 6.

Veto Hinted Earlier

Defense Secretary Harold Brown told senators yesterday that Mr. Carter might veto the measure. Senate sources said the threat appeared to be part of a last-minute effort to get the Senate Appropriations Committee to leave the supercommittee out of the defense money bill for the year starting next October. The panel resumed consideration of the bill today.

Congressmen who attended this morning's White House meeting stressed that the president did not want to cut the defense budget, but to redistribute the funds where they will contribute more to military readiness.

Deputy House leader John Brademas, D-Ind., said Mr. Carter feels "the resources can be better used elsewhere."

"I'm sure he'll have good support in the House," he added.

Rep. Edward Boland, D-Mass., head of the House intelligence subcommittee, said he agreed with the President that the money "can be better used elsewhere."

Australia Sets Broad Tax Rise In New Budget

CANBERRA, Australia, Aug. 17 (UPI) — Federal Treasurer John Howard announced this week a national budget with across-the-board tax increases.

Income taxes will go up by 13 percent and luxury taxes, the other growing form of personal flight, because the FAA does not yet require hang-glider pilots or their craft to be certified. But hang gliding has reached such proportions, the FAA says, that the accident toll is becoming alarming. Officials feel balloons are much safer.

Balloons are not cheap. Although it is possible to make them by hand or to buy one secondhand for \$4,000, most hot-air balloons cost \$12,000 to \$15,000, and the gas balloons of the type needed to attempt an Atlantic crossing can cost almost \$500,000.

"It takes a fervent desire, it takes time and patience, and it takes money to balloon," said William Cook, national FAA coordinator for balloons. "But this is no passing fad. The sight of maybe 250 balloons in the air at the same time at one of the big balloon races in Albuquerque or elsewhere is enough to convince anyone. It's a lovely sight. I can tell you."

Growing Interest

The growing U.S. interest in ballooning is illustrated by FAA statistics. In 1968 there were 125 registered hot-air balloons in the United States, and about 250 persons held FAA licenses to fly them. In 1976, the most recent year for which the FAA has statistics, there were 824 registered lighter-than-air

aircraft (including five blimps) and 2,974 licensed balloon pilots.

There are no comparable statistics for hang gliders, the other growing form of personal flight, because the FAA does not yet require hang-glider pilots or their craft to be certified. But hang gliding has reached such proportions, the FAA says, that the accident toll is becoming alarming. Officials feel balloons are much safer.

Balloons are not cheap. Although it is possible to make them by hand or to buy one secondhand for \$4,000, most hot-air balloons cost \$12,000 to \$15,000, and the gas balloons of the type needed to attempt an Atlantic crossing can cost almost \$500,000.

"It takes a fervent desire, it takes time and patience, and it takes money to balloon," said William Cook, national FAA coordinator for balloons. "But this is no passing fad. The sight of maybe 250 balloons in the air at the same time at one of the big balloon races in Albuquerque or elsewhere is enough to convince anyone. It's a lovely sight. I can tell you."

Agreement In Vatican

(Continued from Page 1)

ences. Cardinal Villor's objective appears to be to pinpoint a favorite who from the first test votes in the conclave is sure of broad support.

The cardinal camerlengo is also known to have urged all members of the Sacred College to refrain from giving press interviews regarding the outlook for the election. Most cardinals are indeed inaccessible to reporters at present.

Rule Opposed

Reliable sources said that during today's meeting of the Sacred College, as already on other such occasions earlier this week, various cardinals had openly or implicitly criticized the rule laid down by Pope Paul in 1975 whereby cardinals who had reached 80 years of age were to be barred from the election of a pope.

At present, 15 aged cardinals are excluded from the conclave under Paul's reform. They may, however, take part in the preparatory meetings, and some are doing so every day.

"Interestingly," an ecclesiastical informant remarked, "the criticisms of Pope Paul's 80-year rule don't come only from cardinals who are beyond that limit. Many other cardinals in their sixties and seventies too feel uneasy about the 1975 ban that discriminates against old age."

Some churchmen here appear convinced that the next pope would review and maybe even repeal Pope Paul's 80 rule. An alternative would be to exempt from it those few surviving members of the Sacred College who were named cardinals by predecessors of Pope Paul.

The 1975 rule expressly warned the Sacred College that under canon law it has no power to change Paul's legislation. However, the next pope, or any of his successors could.

U.S. Reporters Summoned to Moscow Court

MOSCOW, Aug. 17 (AP) — U.S. correspondents Craig Whitney and Harold Piper have been summoned to appear tomorrow before a Soviet court that has twice ordered them to publish retractions in connection with a civil slander suit, Mr. Whitney said today.

Mr. Whitney, of The New York Times, and Mr. Piper, of the Baltimore Sun, were found guilty at a July 18 court hearing of slandering Soviet television in stories they wrote casting doubt on the authenticity of a televised confession by a Soviet dissident.

The reporters were ordered to print retractions and pay court costs plus fines.

They and their newspapers have paid legal costs and fines, but have refused to publish the retractions despite the expiration of two court deadlines.

Weights 4.8 Tons

PARIS, Aug. 17 (NYT) — Double Eagle II is made of cotton and lightweight rubber filled with helium. It has a capacity of 5,000 cubic meters and carried two tons of ballast, a mixture of lead and sand.

The orange gondola is made of plastic and glass fiber and is equipped with an altimeter, variometer, sextant and a digital altimeter. It carried two weeks' food supplies. Fully loaded, gondola and balloon together weighed a total of 4.8 tons.

Ballooning: Rise in Popularity After a Long Decline

By Malcolm W. Browne

NEW YORK, Aug. 17 (NYT) — On April 13, 1844, the New York Sun published the following item of news, signed by Edgar Allan Poe:

"The great problem is accomplished. We have crossed the Atlantic, fairly and easily crossed it in a balloon. God be praised! Who shall say that anything is impossible hereafter?"

The news turned out to be a hoax on the part of the poet, but its publication certainly implied that such a feat seemed credible in 1844. After all, man had been making balloon ascensions at least since a 1783 flight in Paris. And the Nazis Indians of Peru may have flown in hot-air balloons in the first century B.C.

It turned out, however, to be much harder to fly a balloon across the Atlantic than Poe and his contemporaries imagined. The feat was finally accomplished yesterday after at least 17 unsuccessful attempts in which at least seven persons died.

A well-designed helium balloon,

plenty of piloting experience and luck enabled the Double Eagle II and its U.S. crew — Ben Abruzzo, Maxie Anderson and Larry Newman — to succeed.

Why did it take so long to achieve the crossing? The answer seems to be simply that people more or less forgot about ballooning for a half century or so.

Balloons were common in the 19th century and were used to spot artillery fire in the U.S. Civil War and Franco-Prussian War. A great surge of interest in flight came at the turn of the century, partly because of the exploits in Paris of a dapper little coffee planter from Brazil, Alberto Santos-Dumont.

Santos-Dumont is remembered for his many technical innovations in ballooning and aviation and for making the first round trip in a powered, steerable (dirigible) balloon. His flair for personal flight apparently captivated his fellow Parisians. When he crashed, it was spectacular. His dirigible balloons would land on downtown rooftops, ornamental gardens or even in busy streets.

He also had a taste for high life. Santos-Dumont would often fly his little dirigibles from his home to a downtown restaurant, mooring the craft to a lamp post outside.

Such doings were not limited to the wealthy few.

Balloon Races

Balloon and dirigible races in Europe and the United States were the rage in the early 1900s. In 1909, for instance, a 14-year-old Seattle boy, Cromwell Dixon, built a dirigible powered by a foot-pedaled propeller. His mother, who had sewn together the big gas bag, was given one of the first rides and was photographed pedaling away, high above the Dixons' field.

But then the two world wars and the rise of commercial aviation changed everything. Balloon ascensions and barnstorming gave way to modern aviation. Governments began legislating much of the fun and romance out of personal flight with aviation regulations.

The idea of crossing the Atlantic in a balloon apparently struck most people as pointless. The magic of



American balloonists — from left, Ben Abruzzo, Maxie Anderson and Larry Newman — arrive tired and unshaven but in good health at the U.S. Embassy in Paris after landing near Evreux.

3 U.S. Balloonists Land in France

(Continued from Page 1)

attempt by two British balloonists last month came closest to success, ending just 110 miles off the coast of France. Those two

balloonists, Maj. Christopher Davey and Donald Cameron, extended their congratulations to the Americans.

Air France offered the bal-

Curbing Foreign Agents Is Not Just Game to FBI

(Continued from Page 1)

tion of reporters, and Mr. Clough dismissed the query with, "You don't really expect me to comment, do you?"

Soft-Pedaling

U.S. attempts to minimize conflict with the Russians have resulted in a soft-pedaling of counterespionage publicity, Mr. Clough says.

"Unless a person were in our field or in defense work, he probably would not be very much aware of what we do."

"In a great many cases, our investigations never reach the stage of an arrest. Unless it is an expedient retaliation or has some other specific purpose, I tend to look at the arrest of a spy as almost a failure."

"For one thing, a public trial often results in the disclosure of very efficient investigative techniques or sources of information."

"And besides, there are times when you do not want to let the opposition know that you are aware of their activity. That allows you to maintain control of a situation, to feed them phony information or to otherwise use events to your advantage."

"In addition, there are often situations in which you would rather leave an inept enemy agent in place than have him replaced by someone smarter."

The prospect of an inept Soviet spy seemed to please Mr. Clough.

Air Slowdown Is Off in France

PARIS, Aug. 17 (UPI) — French airport control tower operators agreed today to suspend their holiday go-slow strikes and to meet tomorrow with government representatives to negotiate a new labor contract.

The 2,500 air traffic controllers had planned initially to stage another of their work-to-rule demonstrations this weekend. For four weekends these have caused chaos in European airports. Each weekend up to a million travelers suffered delays and cancellations of flights crossing French territory.

California Aftershock

SANTA BARBARA, Calif., Aug. 17 (UPI) — The strongest of more than 30 aftershocks since Sunday's large earthquake jolted the area hit here yesterday. It measured 3.8 on the Richter scale. No damage was reported.

Vance Attends Inauguration

New Dominican Leader Calls Balaguer 'Corrupt'

SANTO DOMINGO, Dominican Republic, Aug. 17 (UPI) — With U.S. Secretary of State Cyrus Vance looking on, millionaire cattle rancher Antonio Guzman took the oath of office as president yesterday in the first peaceful shift of power in the history of the Dominican Republic.

Mr. Guzman, 67, immediately lashed out at what he said had been the "enormous corruption" of his predecessor, Leonin Balaguer, and fired two generals who he said tried to keep him from winning the election in May.

Mr. Balaguer sat through the stinging inauguration speech without visible display of anger. Mr. Guzman then had a private lunch with Mr. Vance. Details of their talks were not made public.

Mr. Vance said later that "it was a moving experience to witness today's constitutional transfer of power." The historic event had demonstrated, he said, "that a free people can successfully meet the basic issues before them, make a choice and then, putting aside their differences, unite and turn to the tasks of advancing their nation's freedom, security and development."

Thousands of flag-waving Dominicans had taken to the streets to dance, sing and chant "Viva Guzman, Viva Balaguer," as Mr. Vance, the U.S. ambassador to the United Nations, Andrew Young, and the other visiting dignitaries filed into the National Assembly building for the swearing-in.

Arrived Together

Mr. Balaguer, who came under U.S. pressure not to interfere with the vote-counting after he fell behind in the May 16 election, arrived with Mr. Guzman.

Despite the show of amity, Mr. Guzman lashed out at his predecessor for "unscrupulously using all the means at the disposal of the state" to try to stay in power. He accused Mr. Balaguer's Reformist Party administration of "enormous corruption" and of making "unconstitutional, capricious and arbitrary" decisions.

Nevertheless it was the first

Coup Attempt In Afghanistan Is Said to Fail

RAWALPINDI, Pakistan, Aug. 17 (UPI) — Afghanistan has thwarted an attempted coup and arrested a number of persons including the defense minister and the army chief of staff, Radio Kabul said today.

The radio report, monitored here, quoted a government communiqué saying the revolutionary regime of President Nur Mohammed Taraki "checked in time a plot by dishonest persons" to overthrow him.

"A number of these persons have been arrested, including Defense Minister Brig. Gen. Abdul Kadir," the broadcast said. The radio later read a "partial list" of others arrested. The list included army Chief of Staff Maj. Gen. Shahpur.

It said President Taraki's ruling People's Democratic Party had turned over Gen. Kadir's defense portfolio to the president. The broadcast gave no further details of the plot and did not say when it was uncovered.

President Taraki came to power following a bloody coup against President Mohammad Daud's government in April.

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JPL/10150

External Threat Remains

U.S. Sees Reduced Risk Of Home-Grown Terror

By Ronald J. Ostrow

WASHINGTON, Aug. 17 — The Justice Department expert on terrorism said yesterday that while home-grown terrorism danger has subsided, there is "some significant risk" of foreign terrorists striking in the United States.

Citing the escalation of terrorist acts in West Germany, Italy, France and Britain, Deputy Attorney General Benjamin Civiletti told House Judiciary subcommittee that he knew of "no compelling reason why the United States is immune."

"There is a threat. It's realistic — not hype or imaginary," said Mr. Civiletti, who oversees the federal response to major acts of terrorism in the United States.

Mr. Civiletti told the House Subcommittee on Civil and Constitutional Rights that he was "fairly comfortable" about the U.S. capability of responding to terrorism. "I think we will be in much better shape a year from now," he added.

Better Times Seen

Responding to questions by Rep. Anthony Beilenson, D-Calif., Mr. Civiletti said he thought the threat of such domestic terrorist acts as airplane hijackings and bombings had "substantially decreased" over the past four years.

He attributed the improvement to "better times, which are to a certain extent more peaceful times."

Also testifying before the subcommittee, Sebastian Mignosa, chief of the FBI domestic security and terrorism unit, disclosed that an unidentified number of Americans and resident aliens had traveled overseas for terrorist training and then had returned to the United States.

Mr. Mignosa and other FBI officials declined after the testimony to state how many persons so trained are loose in the country today. A government source said there were less than 20.

Rep. Caldwell Butler, R-Va., characterizing Americans who have received foreign terrorist training as "time bombs," pressed Mr. Mig-

nosa on how the FBI was dealing with them.

Mr. Mignosa said that when the person re-enters the country, the FBI advises him that it is aware he has taken the training and warns him he will be prosecuted if he violates any law.

He noted that current law did not bar Americans from taking terrorist training in other countries and indicated the FBI would welcome a law that did.

"All you can do is talk to him and pray," Rep. Butler commented. Mr. Civiletti said, however, that there would be legal problems involved in making it a crime if Americans take terrorist training overseas.

"I think it would take more than travel and participating in training — even [more than] participating with groups dedicated to violent activities," Mr. Civiletti said. "The key is we have the opportunity to take some action in the event of any overt act" by the individual trained in terrorism.

While contending there is no reason to expect the United States to be immune from spreading international terrorism, Mr. Civiletti added: "I know of practical reasons why the performance of such acts in the United States would not be fruitful."

After the hearing, he explained that these reasons include the U.S. record of dealing effectively with terrorists over the past five years. "The bureau [FBI] has become very efficient, and that is well known," he added.

Other factors include the U.S. public's lack of tolerance for terrorism, the relatively vast distance that must be spanned in the United States when compared with the close physical location of European countries, and freedom of expression that Mr. Civiletti said allows the ventilation of "any kind of thoughts."

Such freedom of speech prevents pressures from building up that can lead to terrorism, he said.

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Woman's Ashes Buried Near Dog In Family Plot in Pet Cemetery

CHICAGO, Aug. 17 (AP) — Lillian Kopp, 69, is the first human to be laid to rest in Paw Print Gardens, a pet cemetery in West Chicago. "She wanted to be near her pet German shepherd, Rinty," said Barbara Kopp, 31, a daughter who manages kennels operated on the property. "Rinty died at age 15½ years in 1972. We have three other German shepherds left — Cindy, 10; Dutchy, 7; and Jamie, 5. All will be buried, side by side, in the cemetery. So will I, my father, Henry, 72, and my brother, Ron, 45," said Miss Kopp.

She said Rinty was raised from a pup and when he died the family sat down and discussed burial in Paw Print Gardens. "Mother was in failing health the last two years, and we all made definite plans to be buried in the cemetery near our pets."

"It just makes a lot of sense to us, although I know some people will not agree," said Miss Kopp. "It makes sense to be all together, not buried in separate cemeteries, and to be together in death with our loved ones — and that includes our German shepherds."

House Approves Ceilings On Fiscal 1979 Spending

By Art Pine

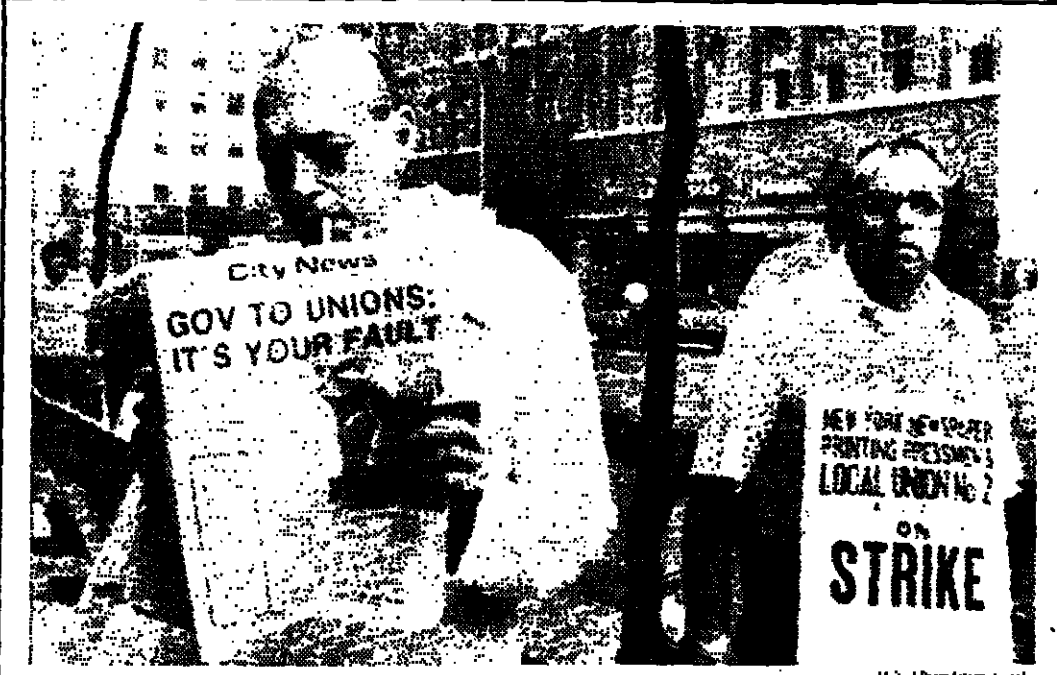
WASHINGTON, Aug. 17 (WP) — The House yesterday approved a set of final budget ceilings for fiscal 1979 after narrowly rejecting a Republican-sponsored proposal that would have cut spending by a further \$10.4 billion. The vote was 217 to 178.

The Senate is scheduled to take up a similar resolution next week. After the two versions are reconciled by a conference committee and endorsed by both houses, the ceilings will be binding.

The action marked the next to the last step in a process, enacted four years ago, that has enabled Congress to substitute its own formal tax and spending plan for the budget that the president submits in January.

The spending levels approved by the House were \$10.4 billion below the \$500.2 billion that President Carter sought in January, and \$9 billion below the tentative spending targets that Congress set last spring.

Yesterday's measure called for a deficit of \$39.8 billion — \$20.8 billion below what Mr. Carter proposed in January, and \$11.1 billion lower than Congress estimated in its tentative resolution.



STRIKE PAPER — The first newspaper born during the strike that has shut down New York City's three big dailies appeared early yesterday, after a federal mediator, reporting "absolutely no progress," recessed talks between pressmen and the newspapers. A passerby glances over a copy of City News as a picket walks outside the struck Daily News Building.

Votes on Homosexuals, Smoking, Death Penalty

Californians Face Controversial Issues

By Wallace Turner

SAN FRANCISCO, Aug. 17 (NYT) — The people who in June approved Proposition 13 — the voters of California — now have up for their inspection and possible approval in November Propositions 5, 6 and 7.

While Propositions 1 through 4 were put on the ballot by the Legislature and are dry, technical and hard to understand, the other three were created by the initiative process, and are full of political passion.

Proposition 5 is on the ballot through the efforts of the Clean Indoor Air Committee and bans smoking in public places — mostly, Proposition 6 forbids school boards to hire any employee "who has engaged in public homosexual activity or public homosexual conduct, should the board determine that said activity or conduct renders the person unfit for service."

Hearings Required

Boards are required to institute hearings into conduct of present employees thought to be homosexual and to dismiss them if the conduct falls under legal guidelines. Proposition 7 would add more categories to the state's capital-punishment law, which was passed over the veto of Gov. Edmund Brown Jr. last year. New categories are political assassination, racial or religious murders and "senseless, heinous or atrocious crimes."

All three proposals would generate new statutes, not constitutional amendments. Propositions 6 and 7 are the products of state Sen. John Briggs of Fullerton, a conservative Republican, who brought both proposals forward last year when he was planning to run for the Republican nomination for governor.

Dropped Out of Race

Sen. Briggs spent about \$589,000 to qualify the homosexual legislation for the ballot, \$400,000 to qualify the expansion of capital punishment, and then withdrew from the race for the Republican

nomination several weeks before the primary election in June.

But in getting the signatures for the capital-punishment proposal, he perfected a technique for mail circulation of petitions that may have a long-range effect on the practice of legislation-by-ballot, which is an established part of California's political process.

He mailed petitions to a selected list and asked for contributions to help further the cause. The results were phenomenally successful. The anti-smoking campaign has turned into a David-and-Goliath battle. The tobacco companies have poured \$543,000 into an opposition

campaign, while the proponents had \$58,600 to spend.

The opposition campaign — named *Californians for Common Sense* — is built around some peculiarities in the proposed act. The law would permit smoking at rock concerts but not other musical events, and would allow it at professional boxing, wrestling and roller-skating events, but not at amateur ones. About 600,000 persons signed the petitions that put the anti-smoking proposal on the ballot.

A broad range of organizations, led by the American Civil Liberties Union, opposes the legislation on homosexual teachers, and the capital-punishment proposal is opposed by liberal organizations and the Democratic Party establishment, including Gov. Brown. The Republican nominee for governor, Attorney General Evelle Younger, has endorsed the capital-punishment proposition.

Northwest Pilots Call Off Strike

MINNEAPOLIS, Aug. 17 (UPI) — A 109-day strike by Northwest Airlines' 1,550 pilots ended Tuesday. Northwest's fleet is expected to be flying again in the next few days.

Representatives of the company and the Air Line Pilots Association signed an agreement after a bargaining session with former U.S. Labor Secretary W.J. Usery. Terms of the new three-year contract were not available.

Pilots for the nation's seventh largest airline went on strike April 29 after yearlong negotiations had failed to produce a contract. Key issues were salaries, which the pilots contended were 15 percent below the industry average, and work rules, pensions and union security.

Bet on Truck Leaves 2 Dead In N.C. Crowd

NEW HILL, N.C., Aug. 17 (AP) — A man who had bet \$100 on the power of his pickup truck plowed into a crowd of spectators, banging into cars and sending bodies flying. Two persons were killed and seven injured.

A bystander jumped into his own vehicle and chased the truck, ramming it at least twice before it veered from the highway, crashed into a tree and burst into flames.

James Adams Jr., 28, was pulled from the burning truck and taken to a hospital where he underwent surgery. The two dead men were both construction workers at a nuclear plant construction site near New Hill.

They were at a tavern when Adams and another man began arguing over whose truck was more powerful. Deputies said Adams and the other man bet \$100 each on their trucks and agreed to chain the vehicles together by their rear ends for a tug-of-war in the tavern parking lot. But witnesses said the contest got off to an uneven start, and Adams' opponent's truck was damaged.

There was a fight, and Adams roared away in his truck. "Everybody thought he was going home," said a witness. "But he turned and came back running wide open."

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Aims for 'Federal-Local Partnership'

Carter Signs 4 Urban Renewal Orders

By Don Shannon

WASHINGTON, Aug. 17 — President Carter yesterday signed four executive orders aimed at creating a "new partnership" of federal and local governments to rebuild U.S. cities.

Two of the orders would require the General Services Administration to locate federal offices in city centers wherever possible and to buy goods and services in areas of high unemployment, which Mr. Carter said often coincided with inner-city areas.

A third order established an interagency council to insure that federal policies "conserve and strengthen America's communities." The fourth ordered the Office of Management and Budget to analyze proposed federal policies to avoid adverse impact on cities.

The decrees were designed to carry out commitments made by Mr. Carter earlier this year as part of his urban policy. At that time he submitted 14 legislative proposals, most of which are awaiting congressional action.

First Priority

GSA administrator Jay Solomon, who took part in the signing ceremony, said that the GSA already has given first priority to central city locations for new federal office space. The policy has resulted in allocation of funds to recycle buildings such as Washington's 19th-century post office building and the old rail stations in Kansas City, Mo., and Nashville, Tenn.

Mr. Solomon said that he will take charge of the program for buying goods and services in high unemployment areas, making a semi-annual report to the White House.

Mr. Carter said that he would name Jack Watson, secretary to the Cabinet, as head of the interagency coordination council, which will include the heads of 15 federal agencies.

Some of the civic leaders and urban officials who attended the sign-

ing ceremony questioned the depth of the administration's commitment to the cause of the cities, citing the decline of earlier campaigns such as the war against poverty. White House aide Bruce Kirschenbaum sought to reassure them, saying that the permanent assignment of a senior White House official differentiated this from previous crusades.

White House officials added that giving the Office of Management and Budget the task of determining the impact of federal legislation on cities would guarantee a high-level commitment on a continuing basis.

Mayor William McNicholas Jr. of Denver, president of the U.S. Conference of Mayors, called the orders "innovative and significant."

Mr. McNicholas, in a statement, called for an end to criticism of the Carter administration and urged his colleagues to support the president.

Clarence Mitchell, Washington representative of the National Association for the Advancement of Colored People, took the floor before Mr. Carter left to describe the action as "one of the most magnificent things I've seen." He said that

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Peking Seeks U.S.-Chinese Student Trade

WASHINGTON, Aug. 17 (UPI)

— In a policy change that U.S. officials call highly significant, China has informed the United States that it wants to go ahead soon with a large U.S.-Chinese student exchange program, it was learned today.

State Department officials said that the exact timing and numbers have not been determined, but that the Chinese "are thinking in terms of hundreds of their students coming to this country." Because of the lack of available university courses in China, the United States would probably only send "a few score" students to China, the officials said.

They added that the Chinese apparently have dropped their previous insistence that student exchanges could take place only after full diplomatic relations have been established.

The decision to send the best Chinese students abroad is also an apparent move away from the Maoist principle of keeping all students at about the same level, sometimes at the expense of the best learners.

Frederick Jaffe, Family Planning Authority, Dies

NEW YORK, Aug. 17 (AP) — Frederick S. Jaffe, 52, a former vice president of Planned Parenthood Federation of America Inc. and a leading authority on family planning, died here yesterday of a heart attack.

Mr. Jaffe was associated with Planned Parenthood from 1954 to 1974, much of that time as head of its division for education and research, the Alan Guttmacher Institute. He became president of the institute when it broke off from Planned Parenthood and became a separate organization.

Mr. Jaffe wrote articles for scholarly magazines on human reproduction and co-authored five books, including "The Impact of Family Planning Programs on Fertility — the U.S. Experience," and "Birth Control and Love."

Irene Kral

LOS ANGELES, Aug. 17 — Irene Kral, 46, an award-winning recording star who sang with popular bands of the 1950s, died here Tuesday of cancer, the Los Angeles Times reported.

Her album, "Where is Love," was voted Best Vocal Album of 1976 by *Swing Journal*, the influential Japanese jazz magazine. That album and follow-up album this year, "Kral Space," earned Grammy Award nominations.

Andrew Carmuff Ritchie

SHARON, Conn., Aug. 17 (AP) — Andrew Carmuff Ritchie, 71, former director of the Yale Art Gallery, died last week. Yale officials announced yesterday.

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A Big Day in Santo Domingo

There was something altogether fitting — and instructive as well — about the presence of Secretary of State Cyrus Vance Wednesday at the inauguration of Antonio Guzman as the new president of the Dominican Republic.

It was fitting in the sense that, off and on, Mr. Vance has been working personally on the Guzman case for 13 years. And it was instructive for what it says about the U.S. involvement in the fortunes of the Dominican Republic — its extraordinary depth, its changing nature and even its future prospects.

The Vance-Guzman connection began in the terrible turmoil of the Dominican civil war in 1965, when there was no authority and U.S. troops had been landed to restore order in the name of anti-communism. Mr. Vance, as deputy secretary of defense, was a member of a high-level team of U.S. mediators dispatched by President Johnson to Santo Domingo to assemble a compromise, caretaker government, with Mr. Guzman as the provisional president. That frenzied, around-the-clock effort eventually collapsed. But it paved the way for a more measured U.S. diplomatic intervention, the eventual result of which was the election to the presidency of Joaquin Balaguer (also hand-picked in Washington).

With lavish and unwavering support from the United States, Mr. Balaguer managed, by means of more or less benevolent repression, to get re-elected twice without real opposition or any serious challenge to his methods until last spring's presidential election. Then Mr. Guzman won a comfortable majority of the vote, and very nearly had the election stolen from him by elements in the Dominican armed forces loyal to Mr. Balaguer.

At which point, re-enter Mr. Vance, as secretary of state for Jimmy Carter; while too

much can be made of the importance of the Carter administration's intervention — for there was a powerful outcry from within the Dominican Republic — it is certain the pressure from Washington had much to do with keeping the vote-counting honest.

The result, celebrated Wednesday in Santo Domingo, was the first peaceful, constitutional transfer of power from one elected government to another in the Dominican Republic's history.

That is no small accomplishment for a country that emerged in 1961 from 30 years of tyranny under Trujillo to elect Juan Bosch as president, only to see him thrown out in a military coup after seven months in office, and his un-elected successor similarly unseated in the bloody upheaval of 1965.

Indeed, there are many who saw in the events of last spring compelling evidence of fundamental change — of strong and widespread support for a fair election and a democratic form of government, from business elements and opinion-makers and the public. Perhaps. It will depend, we suspect, in large part on the skill and forcefulness of President Guzman, a man of the left, whose connections with the military are not quite as dependable as those of Mr. Balaguer, a man of the Trujillo regime.

But it will almost certainly continue to depend, in considerable part, on the role played by the U.S. government. Years of deep involvement have created a special U.S. obligation to uphold democratic values in the Dominican Republic — an obligation appropriately acknowledged by high-level U.S. representation at Wednesday's inaugural ceremonies.

THE WASHINGTON POST.

Carter's Present to Meany

George Meany turned 84 Wednesday, and to judge from what White House officials are saying, it is not likely that President Carter even sent good wishes. The president is described as "absolutely livid" about Mr. Meany's continuing attacks on the administration. Perhaps he will now be angry enough to take back an ill-advised diplomatic present he has just got through giving to the crusty chief of the AFL-CIO.

Last November the president took the United States out of the International Labor Organization, despite appeals to the contrary from much of the U.S. labor movement, from leading Democratic and Republican members of Congress, from his own foreign-policy advisers and from the United States' major allies. He acted mainly to appease Mr. Meany.

Last week a Cabinet committee met to consider whether the United States should rejoin the organization, and Mr. Meany, who was the official U.S. "worker" representative to the ILO, once again voiced his opposition. Given the clout Mr. Meany still wielded, the result was a foregone conclusion: The president would not reverse himself.

That is a pity, for the ILO continues to be an effective agent of better conditions and union rights for workers worldwide. In recent years it has focused on pervasive unemployment in developing countries and has been instrumental in suggesting strategies for providing jobs and meeting basic human needs. The absence of the United States and its significant financial contribution have forced curtailment of valuable work.

Mr. Meany's main complaints are that the Soviet Union and its allies, together with

many Third World states, have subverted the principle of "tripartism," under which workers, management and government are each separately represented in the ILO. Through block voting, he charges, they shift the spotlight away from labor abuses in their own countries and push such ideological causes as censuring Israel.

But the recent record does not bear out these complaints. In the last year, and especially at this year's important annual conference at Geneva in June, the ILO has reaffirmed tripartism both in principle and in practice. An attempt to censure Israel for allegedly poor labor practices in the occupied territories failed because worker and management representatives of a number of Third World countries refused to vote with their governments. And the ILO has formally called upon the Soviet Union to answer charges that it persecuted dissident workers who tried to form a free trade union.

Already on the agenda for next year's annual conference are examinations of the ways in which the organization's conventions on freedom of association, forced labor and discrimination in employment have been applied.

In ordinary circumstances, an administration like Jimmy Carter's would want to be represented in a discussion of such vital human rights. But, alas, in dealing with the ILO, as with many issues closer to home, the president has so far found George Meany to be an extraordinary circumstance. Perhaps now, the administration's hot words may offer new hope.

THE NEW YORK TIMES.

International Opinion

The Dollar

A decision to make a determined effort to support the dollar would mean risking defeat at the hands of the foreign exchange market — as happened when the U.S. made a half-hearted attempt at support in the first weeks of this year. It would also court further humiliation for Mr. Carter on [Capitol] Hill. And it would deprive the U.S. of its main weapon in its battle to force Germany and Japan to stimulate their economies in a responsible way. If Germany and Japan carry through their Bonn (economic summit) pledges [of a month ago], then the fall of the dollar and the embarrassing rise their own exchange rates have undergone in the past year will come to an early end. If they do not, we will

have to wait for the exchange rate to carry out the adjustment for them.

— From the Guardian (London).

Even if there is a temporary rise in the dollar's value in the next few weeks — and it is by no means sure that there will be — this summer has almost certainly marked a turning point in the currency's role in the world monetary system.

The unique position of the dollar as the main reserve currency in the world has long been an anachronism. The United States economy no longer dwarfs that of Europe and Japan and, as the past year's activity on world currency markets has shown, the United States dollar cannot be relied on to keep its purchasing power as a store of value.

— From the Times (London).

In the International Edition

Seventy-Five Years Ago

August 18, 1903

NEW YORK — The Colombian Senate yesterday rejected the proposed U.S.-Colombian treaty on the grounds that amendments passed by the U.S. Congress on the original document made it unacceptable. The move was announced in Bogotá by Colombia's foreign minister, Señor Rico. This rejection effectively kills the pact in the U.S. Congress and raises the possibility that the U.S. will have to look elsewhere for a suitable replacement — assuming that the province of Panama does not secede from Colombia beforehand.

Fifty Years Ago

August 18, 1928

BERLIN — Germany's diplomatic isolation is growing rather than diminishing, despite the Briand-Kellogg peace pact, and mainly because of the increasing rapprochement between Britain and France, according to recent press reports here. The consensus, which is shared by highly placed government sources here, is that Anglo-French policy coordination in areas as diverse as Russia and the Balkans, as well as the Franco-British naval treaty and joint military maneuvers, indicate a rejection of Germany, especially as regards the Rhineland question.



Soviet Trade: Popgun as a U.S. Weapon?

By Fred Warner Neal

LOS ANGELES — Illusion dies hard, particularly when it pertains to deeply held U.S. myths about the Soviet Union.

When the beginnings of U.S.-Soviet détente developed in 1972, many people in the U.S. were convinced that the primary — some said the only — incentive for the Soviet Union was trade with the United States. This implied that the Soviet economy was in desperate straits, and that it badly needed U.S. technology.

This myth was accompanied by another: that trade could be used to obtain political concessions from Moscow. The result was the Jackson-Vanik and the Stevenson amendments to the 1974 Trade Act, making trade concessions conditional upon increases in Jewish emigration from the Soviet Union.

But the premise behind this action was wrong. While the Soviet Union did "need" U.S. technology, it did not need it that badly. Additionally, anything the Russians could get from the United States they could also get from Western Europe or Japan.

There were three immediate results from the Jackson-Vanik and the Stevenson Trade Act amendments:

- Jewish emigration, which had risen dramatically (in part as a result of Nixon-Kissinger diplomacy), declined sharply.
- Soviet trade with the United States fell off.

• Soviet trade with Western Europe and Japan increased.

None of this should have come as a surprise. Not only did the Russians tell the United States in advance that they would not be pressured by the 1974 Trade Act, but almost all U.S. experts on the Soviet Union — both in the government and out — warned that it wouldn't work.

Despite this experience, the illusion persists that the United States can use trade to force the Kremlin to do what it wants. Once again, as a reaction to the recent trials of Anatoli Shebaransky and Alexander Ginzburg, cries are being heard for "economic sanctions." President Carter has canceled the sale to the Soviets of a Sperry Rand Univac computer, an action that may gain him some short-run political advantage, but won't accomplish anything else. Instead, the cancellation will cause further deterioration of U.S.-Soviet relations.

Unable to Believe

Many people in the U.S. seem unable to believe that they don't have that kind of leverage. Soviet attitudes partially account for the illusion: The Russians make no secret of their preference for U.S. technology. One reason took that some items the United States produces are, in fact, superior. But the Soviets also tend to believe U.S. machinery and technology are better even when they are not.

U.S.-made goods, in Soviet eyes, have long been considered more prestigious than anyone else's.

U.S. Commerce Department experts have stated that there isn't a single U.S. product that is not now being duplicated, or that couldn't be duplicated, in Europe or Japan, and that, more often than not, these items are as well-made as our own. Denied the ability to purchase from the United States Soviet buyers simply look to other countries — countries that have made it clear that they will sell to the Russians whenever they have a chance. As a result, of course, foreign businessmen and workers, rather than their U.S. counterparts get the profits and the jobs.

Grain Agreements

Now those who advocate applying economic leverage have turned their attention to U.S.-Russian grain agreements. Since large grain surpluses are available only in the United States and Canada, doesn't this give us an advantage over the Russians? After all, the Soviet Union has made massive grain purchases from the United States in recent years, and they depend upon us for future supplies. The Soviets are committed to buying a minimum of 6 million tons of grain annually under a U.S.-Soviet agreement, but the United States has already given Russia permission to buy up to 15 million tons this year

— and U.S. officials expect the full amount to be purchased.

The suggestion that the United States now deny the Soviets grain relies on three major assumptions:

- That the United States would abrogate the agreements.
 - That the certain furious opposition by U.S. farmers to such a boycott could be overcome.
 - And that the United States could convince the Canadians to join it.
- All three premises are dubious at best. But if these obstacles could be overcome, then what?
- There is no doubt that the Soviet Union "needs" U.S. grain. The Soviet state and the collective farm systems seem unable to provide surpluses adequate to cope with the vicissitudes of uncertain Russian weather and the greater demand created by a rising standard of living. Certainly to deny the Soviet Union U.S. grain would disrupt the Soviet economy. It is most unlikely, however, that the problem would be serious enough to force the Russians to comply with our "human rights" standards.

Large Reserves

For one thing, the Soviet Union always maintains very large reserves of grain — a policy developed in response to the wartime vulnerability of its greatest grain-growing areas. Then too, between 20 percent and 30 percent of the grain purchased by the Soviets, is fed to livestock, and so the chief effect of a total grain boycott would probably be to cut the meat supply, which has been rising steadily for the past 15 years. Although the reduction would affect the Soviet diet, it would hardly produce an overall food shortage.

Therefore, if the United States is really intent on trying to force internal changes in the Soviet Union, some means other than trade will have to be found. Whether one exists or not is another question.

The United States would do well to keep in mind, however, that continued efforts to pressure the Russians through trade restrictions can produce something worse than failure. Sooner or later, the Soviets will react.

In the past, when Russia has felt rebuffed by the West, it has drawn into itself, rejecting international cooperation and becoming xenophobic while, at the same time, stepping up internal repression. The same response could happen again — only this time it would be the "inward-lookingness" of a very powerful state intent on pursuing global interests. It is doubtful that the consequences of such a development are what those who call for economic sanctions have in mind.

Fred Warner Neal is chairman of the international relations faculty at Claremont Graduate School. He wrote this article for the Los Angeles Times.

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U.S. Airlines' Cooperation Sought

Organ Transplants Rely On Successful Transport

By Penny Girard

WASHINGTON — The Eastern Airlines shuttle, caught in an air traffic controllers' slowdown, sat sweltering on a New York runway, its engines shut down and its cabin temperature soaring to 90. A nervous passenger made repeated trips to the plane's galley for ice. But a puzzled fellow passenger noticed he used none of it for himself.

Instead, he kept pouring the ice into a large box that made an unusual churning noise as it sat strapped into the seat next to him.

The box, it turned out, held a pair of human kidneys destined for a transplant operation in Washington. The long delay, coupled with the intense cabin heat, threatened to overcome the battery on the special pump used to keep the kidneys alive. If the battery failed, the transplant effort would fail with it.

The difficulty aboard the New York-to-Washington flight illustrates a little-known problem of modern medicine: While major advances in scientific technology have made transplants of kidneys and other organs almost routine, problems of transportation often turn potential life-saving miracles into disappointment and despair.

The number of transplant operations, especially those involving kidneys and cornea tissue from eyes, is increasing each year as a result of new operating procedures and better methods of collecting and preserving human organs. In addition, the establishment of computer data banks makes it possible to match — almost instantly — the needs of potential transplant recipients with donated organs.

These developments mean that the donor of a kidney or another organ may be hundreds or even thousands of miles away from the patient awaiting the transplant. Doctors note that the healthiest and most desirable organs for transplants come from an unpredictable source: hospital emergency rooms and intensive care units treating young persons who have been injured in accidents or crimes.

Fast, dependable transportation over long distances (a kidney was flown last year from Russia to New York) to one of about 160 federally approved hospitals and medical centers can make a difference in how long — and how well — a person may live.

In the case of the Eastern shuttle to Washington, passengers told the pilot about the kidneys. The pilot radioed the tower and got immediate clearance for takeoff. En route, the plane received special landing instructions, and the kidneys were rushed safely to the hospital.

But not all stories have such a happy ending. Surgeons and other involved in transplants say that because there are no uniform policies for transporting organs, they frequently encounter unnecessary problems with commercial airlines and delays at airports.

Employee training in handling these parcels varies from airline to airline, doctors say, and the treatment of such parcels often depends on the individual on duty. As Dr. Richard Wilson, transplant coordinator for George Washington University Medical Center, says: "This is still a procedure that depends entirely on everyone acting on everyone else's good wishes."

Although one may question the intentions of commercial airline personnel and others involved, experiences described by hospital officials and transplant teams suggest that mishaps are not uncommon, underscoring the need to establish uniform procedures to assure that organs receive the special handling they require.

Some examples: On a flight last winter from a major Eastern airport to Kansas City, a battery on a kidney pump malfunctioned while the machine was being moved to the plane. The doctor escorting the machine asked the airline to change batteries, but the airline said that was not possible. The weather was too bad to charter a small plane, and the next commercial flight was too late to save the kidneys, which had to be discarded.

A few weeks ago in Los Angeles a university medical laboratory wanted to ship a kidney from a 23-month-old baby who had drowned to Heidelberg, Germany, to implant in a 4-year-old child. The German airline reportedly agreed to take the kidney only after much persuasion by the laboratory and after it was pointed out that the airline might suffer bad publicity if it became known that it had refused to transport the organ.

Organs packed in ice have been inadvertently destroyed when they were placed in airline baggage compartments and allowed to freeze. Other shipments have been misplaced by airline personnel at terminals, put aboard the wrong flights. Airport guards, apparently not alerted to the special situation, have required doctors accompanying transplant organs to open — and thus contaminate — packages of vital sterile instruments.

To be sure, some airlines have taken extreme steps to ensure delivery. Dr. Glenn Geelhoed, a transplant surgeon at George Washington University Medical Center, recalled as Sunday when no flights

were available on which to ship two perfectly matched kidneys to New York. The National Park Service, on short notice, arranged to fly a helicopter to Baltimore, where an American Airlines jet waited to make the special trip.

Not all transplant organs are shipped on commercial airlines. When time is short and scheduled flights are unavailable or major airports too far from the waiting patient, hospitals charter planes and at times rely on the military.

In special cases, such as the long-distance transportation of a human heart (the first was in May of last year), the trip can involve split-second timing, police escorts, waiting helicopters and chartered jets.

At the Stanford University Medical Center, one of two hospitals in the United States where hearts are transplanted, a team of cardiovascular surgeons can fly to Los Angeles, remove a heart and be back in their own operating room for the implant surgery within three hours.

"Once we have the heart, it's just a footrace with time," a surgeon there said.

Experts say that improvement in long-distance transportation is badly needed, especially now that computer systems can match donated organs with waiting recipients. Although the computers substantially speed the first vital step to transplant surgery, transportation problems shave precious time off the useful life of the donated organ.

It has claimed hundreds of ships and many lives. And once those waters claim a ship, they guard the remains jealously.

Even when the hulks can be located, it is virtually impossible to salvage them. The water is too deep and murky, the currents too fast, the temperature too cold and the ocean's inhabitants too threatening.

Of all the ships lost off the coast of New England, the most famous and intriguing is the 29,083-ton Andrea Doria, once rated among the most luxurious cruise ships in the world.

As many of its 1,600 passengers celebrated a "last night out" party late on July 26, 1956, the 700-foot flagship of the Italian merchant marine was inexplicably rammed by the Swedish liner Stockholm in heavy fog.

Still Unexplained Maritime authorities still do not know why the sophisticated radar systems on both ships failed to provide adequate warnings. They also do not know why the Stockholm, equipped with a reinforced bow for icebreaking purposes, was miles off course, or why the Doria veered directly broadside the Swedish liner minutes before the collision.

The Stockholm ripped a 45-foot gash through seven of the Doria's 11 decks and, less than 12 hours later, the "unsinkable" passenger ship slipped beneath the surface.

Since then, the Doria has become the most mysterious and challenging wreck in the world. It is a Mount Everest for salvage divers. But, unlike the great mountain, it has not been conquered.

Today marks the fifth anniversary of the fruitless end of the last full-fledged attempt to recover the estimated \$2 million in currency, jewels, paintings and other artifacts believed still aboard the ship.

On Aug. 17, 1973, in Fairhaven, Mass., three former Navy divers called an end to their 26-day attempt to extract the riches from the liner. Chris Delucchi had two badly cut hands. He was injured while trying to cut through the Andrea Doria's port side. Don Rodocker had an ear infection, and Bob Hollis was unhurt, but exhausted.

New Technique They had used a new diving technique that they hoped would overcome the time limitations imposed on other salvage attempts. Divers on other expeditions, because of the necessity to decompress, had only been able to spend about 15 minutes on the bottom during each trip to the wreck.

Mr. Delucchi, Mr. Rodocker and Mr. Hollis lived for a week in a 12-foot, steel drum attached to the Doria. They breathed a mixture of oxygen and helium. It allowed them to work on the wreck eight hours a day.

They called the attempt "90 percent successful" because they proved their "saturation" diving technique worked.

They spent \$250,000 and managed to recover a silver chafing dish top, a perfume bottle and some silverware. They hoped to recoup their losses with the profits from a film of the expedition.

It was a frustrating experience. "I was standing probably within 20 feet of where the safe should have been and there was just no way," said Mr. Rodocker.

The Doria settled on the bottom resting on its starboard side. The solid steel decks had become the bulkheads. The comparatively flimsy, wooden bulkheads, decayed by 17 years of submersion, were now the decks. They hung, delicately suspended in the quiet water of the ship's interior, balanced by a few electrical cables. A small disturbance, such as a diver's air bubbles, could bring them down.

"Death Trap" "It was a death trap," said John Clark, a support diver. "I wouldn't recommend it to any diver to go down there," said Mr. Delucchi. "There were tons of bulkheads just hanging there in the water."

The Fairhaven expedition was the most sophisticated and expensive attempt on the liner. A half-dozen other attempts had yielded only a 700-pound bronze statue of Adm. Andrea Doria, for whom the ship was named.

Bruno Vailati is about the only man who can claim success over the Doria. But he and his team explored the wreck in 1968 to make a film, not to bring up loot.

The Italian filmmaker, an expert diver, said: "I am not a coward. But each time I dove into that water it was like committing suicide. It was an eerie sight. We were in the midst of a rapid underwater current. Fish and plankton seemed to fly past us like huge snowflakes in a blizzard. It was as if we were swimming in dark, ice-cold soup."

"We were always in danger of being swept away by the force of the current. Only one thin rope linked us to the trawler above. If it were swept away or jerked loose from the boat, we would be lost in the Atlantic forever."

Before quitting the wreck after 21 dives, Mr. Vailati and his crew attached a plaque to the bridge which read: "For the impossible to become possible and the Andrea Doria to see the light of day again."

The plaque and the disappointment of the Fairhaven expedition reaffirmed an epitaph pronounced the year after the Andrea Doria disaster by Frederick Dumas, at the time considered by many to be the world's foremost diver.

"She will never be raised," said Mr. Dumas. "The sea owns the Doria now."



A NEW BRANCH ON THE FAMILY TREE — Former President Richard Nixon speaks to newsmen as he arrives, with his wife and daughter Tricia, at the San Clemente General Hospital, where his other daughter, Julie Eisenhower, has given birth to a girl.

5 Years After Huge Salvage Effort

Sea Still Guards Wreck of Andrea Doria

By Ken Cafarelli

BOSTON, Aug. 17 (UPI) — The sea south of Newmarket is mean water. It is driven by swift, cold currents, lashed by vicious storms and shrouded by dangerous fogs.

It has claimed hundreds of ships and many lives. And once those waters claim a ship, they guard the remains jealously.

Even when the hulks can be located, it is virtually impossible to salvage them. The water is too deep and murky, the currents too fast, the temperature too cold and the ocean's inhabitants too threatening.

Of all the ships lost off the coast of New England, the most famous and intriguing is the 29,083-ton Andrea Doria, once rated among the most luxurious cruise ships in the world.

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Industry-FDA Battle Is Years Old

Study Intensifies Opposition to Nitrites

By Richard D. Lyons

WASHINGTON, Aug. 17 (NYT)

For more than a decade, the processed-food industry and the federal government have been at odds over the potential threat to health posed by the use of sodium nitrites and sodium nitrates in such common items as ham, sausage, bacon, hot dogs and smoked fish.

Now it is beginning to appear certain that the use of these chemicals will be either banned or sharply reduced in this \$5 billion-a-year industry, although it is unlikely to happen immediately as long as a courtroom door remains open.

Consumer advocates and federal officials have said for years that the use of nitrates and nitrites in meat and fish was unnecessary since there were other means available to manufacture, process and store such products.

And as early as 1948, a Food and Drug Administration internal memorandum warned that agency officials regarded nitrates and nitrites "as poisonous and deleterious substances not required in the manufacture of any food subject to the jurisdiction of the Food, Drug and Cosmetic Act, and as such, any food subject to the act and containing any quantity of these chemicals would be deemed to be adulterated under the law."

Year after year, questions have continued to mount over the safety of such food additives — not in gross terms, since the chemicals are known to be poisonous in large quantities; but in the supposedly minute amounts in which they are used to preserve meat and fish.

When the Department of Agriculture set standards in 1926 on the amount of nitrites that would be allowed as preservative in cured meat, the number was set at 200 parts per million (ppm), not because of any scientific consideration for safety but because that was the amount normally found in the cured hams of the day.

And this 200-ppm allowance remained until just two months ago, when the Department of Agriculture reduced it to 120 ppm. Further, the department has proposed cutting this allowance to 40 ppm by next May, although food processors have objected that such a rule would be too stringent.

Their objections were well known before last week, when the FDA made public details of the latest study of sodium nitrite, conducted for the FDA by scientists at the Massachusetts Institute of Technology. The study found that 13 percent of laboratory rats that consumed nitrites developed tumors of the lymph system, while only 8 percent of those rats not fed the chemical developed such tumors.

Since 1956, digested nitrites have been linked to the production of chemicals called nitrosamines, which in turn have been linked to cancer, but it has been only in recent years that an impressive amount of scientific evidence has been amassed detailing the connection.

Nader Demands Ban The food industry has tended to downplay the connection, first as trivial, then noting that nitrates and nitrites are used to prevent the development of deadly botulism in meats. Consumer groups have countered, however, that the threat of botulism in meat is virtually negligible because the organism is killed by cooking.

A further complication if such bans were imposed is politics. Any attempt by Carter administration officials to ban the use of nitrates and nitrites in ham, bacon, sausage and the like would create an uproar in the Corn Belt, a fust the administration would hope to avoid in this congressional election year.

These groups further allege that main purpose of the chemicals today is to preserve the red color in meat, rather than to preserve the meat itself.

After the new MIT results were made public, Ralph Nader, the consumer advocate, demanded that federal officials ban the use of nitrates and nitrites under the so-called Delaney clause to the 1958 Food Additive Amendment. This clause orders the removal from the market of additives that cause cancer.

Some government attorneys contend that legal technicalities written into the act exempt nitrates and nitrites (as used in beef and pork, but not in poultry and fish) from the Delaney clause.

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Georgia Prison Riot

REIDSVILLE, Ga., Aug. 17 (AP)

Inmates in the Georgia State Prison's main building were confined to their cells today after the latest in a series of violent outbreaks yesterday left one inmate dead and three injured.

NYK's Full-Spectrum Container System Means Better Service.

NYK, Japan's largest and most versatile shipping company, integrates every detail connected with your shipment. Here is how:

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Dutch Report 100th Polio Case Of Three-Month-Old Outbreak

THE HAGUE, Aug. 17 (UPI) — Health authorities yesterday reported the 100th case in a three-month polio outbreak, which has affected more than 40 towns and villages in a 40-mile-wide belt across the central Netherlands.

Health authorities said that the outbreak could be traced to the refusal of members of a strict faction of the Dutch Protestant Reformed Church to be vaccinated.

They said that the latest case was a 25-year-old woman and that most of the victims have been children, one of whom has died.

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Blumenthal Hints at Dollar Aid

By Hobart Rowen

WASHINGTON, Aug. 17 (WP) — Treasury Secretary Michael Blumenthal said today that he and Federal Reserve Chairman William Miller would respond "shortly" to President Carter's request for recommendations on a program to deal with the dollar problem.

In testimony before the Senate Finance Committee on tax legislation, Mr. Blumenthal cited an "unacceptable" rate of U.S. inflation and inaction on energy legislation as "the two principal structural issues that worry people, that worry this administration, and all thinking people."

In response to a question by Sen. Harry Byrd Jr., D-Va., Mr. Blumenthal virtually conceded that the problem of the dollar reflects a lack of confidence abroad in the way that the administration is handling the economy.

Mr. Blumenthal did not offer any specifics on what sort of action the administration might take. But as Mr. Carter had done in his statement yesterday expressing "deep concern" over the slide of the dollar, Mr. Blumenthal characterized market action as "disorderly."

The administration all along has made clear a willingness to intervene in "disorderly markets" to prop up the price of the dollar. Europeans have complained that U.S. intervention has not been strong enough.

Some read into Mr. Blumenthal's statement a hint that intervention might be stepped up in some way. He said in response to Sen. Byrd that "there has been a lot of specu-

lation," and that "we are determined to do all we can in cooperation with other countries to counteract those factors."

Other sources continued to stress, however, that the administration will stick to its previous position that it would be useless to try to "peg" the dollar to any specific rate or zone.

President Carter scheduled a press conference for later today, and is expected to make further comments on the dollar situation.

Mr. Blumenthal said at the Finance Committee hearing that the world expects to see the U.S. government "follow proper policies" in dealing with inflation and the imbalance in our trade and current account.

He predicted that the 10.4 per-

cent inflation rate over the first six months of 1978 would drop to 6.0 to 6.5 percent in the second half, "because high food prices amongst others are dropping," for 1979 as a whole, he said that the U.S. inflation rate would be less than in 1978.

"But that (10.4 percent) double digit rate has been planted in the minds of some people," Mr. Blumenthal observed.

He warned Congress that the fact that, for the past 15 or 16 months, legislation to reduce energy consumption has been stalled "is perceived by the international community as an indication of a lack of will in dealing with what everybody agrees is a critical problem."

"I think that is something that has to be addressed," he said. "I therefore urge more strongly that Congress move forward on energy legislation. I think if that's done, and if we make progress on inflation — as we must — and deal with some of the recovery measures, we will be in better shape."

Meanwhile, the Federal Reserve Board has notched the federal funds rate from 7 1/2 percent to 8 percent. This rate is the one at which member banks borrow from each other — is the basic underpinning of the short-term interest rate structure.

Financial markets now are waiting to see whether the Miller-led Fed will follow the course set by Arthur Burns last December, and raise the discount rate (now 7 1/2 percent) as a psychological push for the dollar. Some observers think that the Fed might move the discount rate to 7 1/2 percent.

Sime Darby to Sign \$200-Million Loan

KUALA LUMPUR, Malaysia, Aug. 17 (AP-DJ) — The Sime Darby group has set Wednesday as the tentative day for the signing of a \$200-million Malaysian ringgit (about \$200-million) loan being managed by the Asian Bankers Malaysia Ltd.

The loan, by a consortium of banks, including Chartered Bank, Hong Kong and Shanghai Banking, Chase Manhattan Bank and the Bank of America, will be used in part (\$30 million) to redeem Sime Darby Holdings Ltd. stock which matures on Dec. 31. The rest is for future investment purposes, Sime Darby said.

OECD Sees W. German Growth at 2.4%

By Jack Aboaf

PARIS, Aug. 17 (AP-DJ) — Based on the present outlook for world trade, West Germany is likely to experience a real growth of only 2.4 percent this year, down from 3.5 percent forecast by Bonn and unchanged from 1977, the Organization for Economic Cooperation and Development said today.

In its annual survey of the German economy, completed in the first week of April, the OECD points out that since the present forecast, for output and employment implies no absorption in economic slack "the downward risks may have to be more carefully watched than events which could possibly lead to a stronger picture."

It warns that if the weakening of important indicators — industrial production, domestic and especially foreign orders and the hesitant business climate — continue, the need for further stimulative action would be obvious.

The OECD does not believe in an export-led recovery for the German economy because of inflation and balance of payments constraints in many countries and also as a result of the appreciation of the Deutsche mark.

It reiterates the need for concerted action by some OECD member countries, especially Germany. The demand impact of such action "will be magnified by the operation of the domestic and international multipliers so that even relatively moderate measures at the national level would lead to an appreciable acceleration in the growth of oecd activity and world trade," it says.

The survey recalls that member governments agreed last June that, like other surplus countries, Germany has "a particular responsibility" in the concerted international action designed to restore more satisfactory growth of activity and

better international payments equilibrium.

"There is a general consensus among economic analysts in Germany that a strong acceleration of business fixed investment is needed in order to achieve a self-sustained recovery," the survey says.

It points out that German investment is at present adversely affected by depressed profit margins and profit expectations, low capacity utilization, continued concern about international exchange markets and weak confidence. Unemployment is also likely to rise.

The OECD expects German gross fixed investment to grow 2.1 percent this year, down from 2.7 percent in 1977. Private consumption is set to grow 3.1 percent, up from 2.9 percent, and final domes-

tic demand 2.8 percent, up from 2.5 percent last year.

Consumer prices will rise 3.1 percent this year, down from 3.9 percent in 1977. Though export prices may not rise much in local currency, import prices are likely to show a significant fall, perhaps 3.25 percent, due both to falling dollar prices of many raw materials and the appreciation of the mark. The implied terms of trade gain, together with a small deterioration of the real balance, may thus increase Germany's current external surplus to about \$5.5 billion against \$3.5 billion in 1977, the survey says.

The OECD forecasts are what the secretariat would consider to be the most likely development on the basis of present trends and policies, the survey says.

Shell Group Earnings Higher in 2nd Quarter

LONDON, Aug. 17 (AP-DJ) — The Royal Dutch/Shell Petroleum Group today reported higher second quarter earnings, but as in the first quarter accounting rules concerning currency movements had a major impact on results.

June quarter net income increased 27 percent to £390 million from £307 million a year earlier. Shell had a net currency translation gain in the second quarter under

U.S. accounting rule FAS 8 of £108 million compared with a currency loss of £43 million a year earlier.

Thus second quarter net income before currency translation effects fell 19.4 percent to £282 million from £350 million.

In the first quarter the Anglo-Dutch petroleum company had net income of only £6 million after currency translation effects. First-half net income after currency translation effects declined 45.2 percent to £396 million from £723 million. Before currency translation effects, first-half net income dropped 30.6 percent to £568 million from £819 million.

The Royal Dutch/Shell group said the fall in first half net income, before taking into account currency translation effects, was primarily due to two factors: "the consequences of the first-in first-out method of stock valuation used by most Shell companies, which were particularly marked following the OPEC crude oil price increase in January 1977, and secondly, the decline in sales volumes of gas."

First-half natural gas sales dropped to 6.887 billion cubic feet of gas per day from 7.052 billion cubic feet per day a year earlier.

Belgian Gas Price Is Increased Again

BRUSSELS, Aug. 17 (AP-DJ) — The price of gasoline was increased today in Belgium to 16.65 francs per liter from 16.44 francs. The increase, at current exchange rates, means that gasoline will now sell for \$2.025 per U.S. gallon, up from \$1.999. It was the second rise this month.

Since January of 1977, the price of gasoline in Belgium has increased by 12 percent. Of the 16.65 francs, 10 francs go to the government in taxes.

FINANCIAL NEWS AND NOTES

Gulf to Cover Uranium 'Shortfall'

Gulf Oil said it will use its Canadian uranium resources to try to cover a "near-term shortfall" in uranium needs of General Atomic Co., its joint venture with the Royal Dutch/Shell Group. Gulf said it predicted that its affiliate's expected shortage, pending resolution of legal disputes with suppliers, would be "up to 3.5 million pounds" through 1980. On the open market, Gulf said, this amount would bring about \$112 million more than it would if sold to three utility customers of General Atomic. The utilities are Duke Power, American Electric's Indiana and Michigan Electric subsidiary and Commonwealth Edison.

Leas Sleight Bids for Cross Shares

Cross Co. said it has received an offer from Leas Sleight to acquire a majority of Cross outstanding common shares in exchange for Leas Sleight common of a market value of \$50 per Cross share and to acquire the balance of cross common for \$50 a share in cash. The proposed transaction would have a value of more than \$105 million.

Sony, Prudential Weigh Venture

Sony Corp. said that it is negotiating a possible joint insurance venture in Japan with Prudential Insurance Co. of America. The venture would represent Sony's first move into the insurance field. An

official of the large Japanese electronics manufacturer said if negotiations progressed, Sony and Prudential together would seek approval from the ministry of finance. Sony officials would not comment on the nature of its role in the proposed venture or on the type of insurance that would be sold.

Telecor Plans Sale to Panasonic

Telecor Inc. said a specially formed trust for its stockholders is discussing sale of the company's Newcast subsidiary to the Panasonic division of Matsushita Electric of America. Telecor said if the sale is completed it is contemplated the cash price would be based on the Nov. 30, 1978, net book value of Newcast tangible assets purchased, plus \$17.75 million for the Panasonic distributorship contracts. This is about \$4.07 per Telecor share for the trust.

Shenandoah Oil Selling Assets

Shenandoah Oil Corp. said its board decided to proceed with a sale of its assets. The company said it expects shareholders to realize more from the sale than "may reasonably be expected to be obtained through the normal market for the company's stock." It said its management has been instructed to formulate a plan of liquidation to be submitted at a shareholder meeting expected to be held within about 90 days.

Importers Bracing for Leaner Days

Dollar Drop Cuts Foreign Cars to U.S.

By Jerry Flint

DETROIT, Aug. 17 (NYT) — Detroit's designers could not do it. Plans to "buy American" could not do it. Even pledges from the Japanese themselves to curb exports did not do it.

But the collapse of the dollar is finally slowing the assault of foreign car makers on the U.S. market. And the setbacks of the importers — largely Japanese — may get worse before they get better.

"We can't stick our head in the sand and say that imports are going to continue as they have," conceded Robert Link, vice president of Detroit's 3 car importer in the United States, "I would hate to admit it, but yes," he said, Datsun, which sold nearly 500,000 cars and trucks here last year, will have to lower its sights.

"Prices have to stop going up soon or we'll experience extreme sales resistance," said Clifford Schmillen, sales vice president of Honda, an importer that still is growing. The popular Accord model was introduced at \$3,995 two years ago and now lists at \$3,559, which means about \$6,000 with routine options and other charges. "And we're behind now and we've got to have another price increase," he says.

One effect of the price surge could be to increase the possibility of Japanese car production in the United States. Honda talks about establishing a car plant in Ohio, and Datsun has had a team in the United States looking for sites.

Last year 2 million imported cars, most of them Japanese, were sold in the United States. And import sales set records in the first three months of 1978. Then, as the value of the dollar declined, prices climbed and sales have been falling since.

And the decline could sharpen. The reason is that the Japanese poured cars into the United States early in the year, possibly to beat export restrictions, with 866,000 landed in the first six months, up 34 percent from the year before. That means many of the cars being sold still carry older — and lower — price tags.

So, according to the Japanese have yet to absorb the entire dollar depreciation. Since November the dollar has declined about 30 percent against the yen, yet prices at Toyota, for example, the No. 1 import seller, have gone up just 17.4 percent, or \$804 since the last fall's introduction.

This means another big price increase will probably be coming this fall, on top of those that have pushed the take-home price of a typical Japanese small sedan to \$5,000.

The problem "will get much more serious" with total import sales dropping "20 percent or more," predicts Harvey Lamm, president of Subaru of America, which is another exception to the import sales slide.

The import car business has two tiers: the first tier with Toyota, Datsun, Honda and Volkswagen, in that order, accounts for almost two-thirds the total sales. Toyota, the leader, sold 576,000 cars and trucks in the United States last year, but July car sales dropped 17.5 percent behind the 1977 month. And its sporty Celica line, which sells from \$5,500 to \$7,000, faces new competition this fall

from a restyled U.S. car, the Mustang, from Ford.

Datsun sales in July were off 31 percent from the year before, but it has two new lines of cars coming this fall which might offset some of the trouble. The popular Z sports car models, which deliver for around \$10,000, have been redesigned, and Datsun expects to sell around 90,000 in 1979 against 75,000 this year. Its lower priced models, the 210 series, where the price increases have hurt, will carry a new look.

Mr. Link also says his Detroit competitors "haven't been too se-

U.K. Money Supply Up

LONDON, Aug. 17 (AP-DJ) — Britain's sterling M3 money supply rose by \$520 million, or 1.1 percent, in the month ended July 19, the Bank of England said today. The bank said the sterling M3, on a seasonally adjusted basis, had increased by about 2 1/2 percent in the fiscal year that began in mid-April, or at an annual rate of about 9 1/2 percent.

rious about getting into the small car business" which will give him some advantage.

Honda sales are still growing — July volume was up nearly 9 percent from the year before — with 1978 sales projected near 300,000 against 225,000 last year. The Hondas have won unusually high praise from car testers, and the Accord line, which accounts for 40 percent of sales, gets a new four-door version this fall. But the pressure for higher prices still may be curbing growth, says Mr. Schmillen.

The company is building a motorcycle plant in Ohio and could add a car assembly operation within a few years, its officials have said.

Volkswagen sales were off 18.5 percent last month, but VW has special problems. No more gasoline-powered VW Rabbits will be imported from Germany; instead the new plant in Pennsylvania is to supply the market and production is just building up, meaning cars will be scarce for months.

But with the dollar decline "the decision to build in the United States looks better every day," said Richard Mugg, sales vice president.

NYSE Prices Rise On a Broad Front

NEW YORK, Aug. 17 (Reuters) — Prices on the New York Stock Exchange staged a broad rally in heavy trading today on hopes that President Carter will take concrete steps to support the dollar.

Analysts said Mr. Carter's statement yesterday of concern for the dollar's plight would sustain the market for a while, but, without positive support measures, the gains would not last.

The Dow Jones industrial average rose 5.54 points to 900.12.

Analysts said some credit tightening by the Federal Reserve yesterday was a positive first step but insufficient to remedy the dollar's massive problems.

At the close of trading, the Fed said the basic money M-1 supply rose \$600 million, about in line with expectations.

U.S. retail sales were reported as falling to a seasonally adjusted \$15.17 billion in the week ended Aug. 12 from \$15.27 billion the previous week. On the Big Board, RCA was the most active issue, gaining 1/4 to 33 1/2. Minnesota Mining, in second place, rose 1/4 to 65.

El Paso Co. gained 3/4 to 17 1/2 in active trading, including blocks of 100,000 shares at 17 1/2 and 161,000 shares at 17 1/2. Champion International raised the dividend and added one to 25 1/2.

A number of blue chips and glamourous were hit with profit tak-

Bern Demands

Action by West

To Aid Markets

BERN, Aug. 17 (UPI) — The Swiss government today demanded concerted Western action to stabilize international exchange markets, saying it plans no new measures of its own at this time.

The seven-member cabinet said the decline of other major currencies and the parallel massive increase in the value of the Swiss franc "in no way corresponds to reality."

Switzerland's export and tourism industries are experiencing difficulties because of the currency unrest, a statement said after seven hours of discussions yesterday and today between the cabinet and National Bank president Fritz Leutwiler.

Wages and salaries rose 1 percent in July, the government said. Farm income dropped 3.6 percent, while non-farm income rose 1.9 percent. Transfer payments by the government, such as Social Security and welfare payments, rose 3.7 percent.

U.S. Income Rises 1.4%

WASHINGTON, Aug. 17 (UPI) — The personal income of Americans surged 1.4 percent in July to register the greatest gain in three months, the Commerce Department reported today.

Personal income, an important economic indicator because it signals future consumer spending, rose \$24.2 billion for the month on a seasonally adjusted rate. Overall personal income on an annual rate stood at \$1.72 trillion.

Personal income figures are just one of the ingredients used to assess the health of the nation's economy. Revised second-quarter figures for the nation's gross national product are due tomorrow.

The July increase in personal income was well ahead of increases recorded the two previous months. Revised Commerce Department figures showed that personal income rose 0.8 percent in both May and June. April saw a 1.4-percent increase.

Farm income dropped 3.6 percent, while non-farm income rose 1.9 percent. Transfer payments by the government, such as Social Security and welfare payments, rose 3.7 percent.

Trade Development Bank Holding S.A.

Report of the Chairman of the Board to the Shareholders

As at 30th June, 1978 total consolidated assets of the Trade Development Bank Holding Group reached US\$ 4,801.5 million compared to US\$ 3,869.6 million as at June 30, 1977. Total deposits with our Group increased by 31% and amount to US\$ 4,007.5 million against US\$ 3,051.7 million at 30th June, 1977. Total capital and loan funds, including the interests of minority shareholders amount to US\$ 457.8 million at 30th June, 1978 compared to US\$ 327.4 million at the same date the year before.

Net earnings after taxes, minority interests and transfer to inner reserves rose to US\$ 16.6 million or US\$ 1.01 per share as against US\$ 13.2 million or US\$ 0.80 per share for the first six months of 1977.

The Group completed the placing through Merrill Lynch, Pierce, Fenner & Smith Incorporated, New York, in accordance with a private placement agreement, of 25 year serial notes which will total US\$ 30 million on 9th August, 1978.

Republic New York Corporation, of which the Group holds 62% of the capital, achieved excellent results during the first half of this year. Indeed, the corporation published net earnings applicable to common stock of US\$ 10.0 million or US\$ 3.20 per share as against US\$ 9.2 million or US\$ 2.94 per share for the first half of 1977. Total assets increased from US\$ 2,137.4 million as at 30th June, 1977 to US\$ 3,047.4 million as at 30th June, 1978.

The growth of the customers' deposits, whose amount and number expand year by year, is a good sign of the confidence placed in us.

An ever increasing clientele combined with a strong capital base and a highly selective approach towards investment enable us to look forward with optimism to the future of our Group.

EDMOND J. SAFRA
Chairman

31st July, 1978

Interim consolidated balance sheet as of 30th June 1978

	30th June 1978	30th June 1977		30th June 1978	30th June 1977
Assets	US\$ 000's	US\$ 000's	Liabilities	US\$ 000's	US\$ 000's
Cash in hand and balances with banks	1,283,664	852,954	Deposits, balances due to customers and inner reserves	4,007,548	3,051,685
Bank certificates of deposit	363,248	400,168	Other liabilities	336,151	207,824
Precious metals	148,044	75,841		4,343,699	3,259,507
Financial paper	443,602	341,516	Capital and loan funds:		
Government and municipal bonds (USA and UK)	400,636	285,777	Sinking Fund Notes 2002	21,100	—
Other bonds	258,979	300,831	Sinking Fund Debentures 2001	50,000	50,000
Current accounts and advances to customers	1,719,162	1,233,566	Sinking Fund Debentures 2002	35,000	—
Investments	4,582	9,647	Convertible Subordinated Capital Notes 1977	11,290	12,500
Fixed assets	46,658	36,089	Other loans	40,000	40,808
Other assets	132,928	70,551	Minority interests	99,215	44,715
	4,801,503	3,869,640	Shareholders' funds:		
			Share capital	24,605	24,605
			Reserves	176,594	154,805
			Total Shareholders' funds	201,199	179,410
			Total capital and loan funds employed	457,804	327,433
				4,801,503	3,869,640
			Contingent liabilities:		
			Letters of credit and guarantees	195,690	163,226

* against which were forward sales of US\$ 142,505,000 in 1978 and of US\$ 70,881,000 in 1977

	1978	1977
Net earnings after tax, minority interests and transfer to inner reserves (US\$ millions)	16.6	13.2
Earnings per share	US\$ 1.01	US\$ 0.80
Number of shares outstanding	16,403,300	16,403,300

Principal Subsidiaries

Trade Development Bank, Geneva • Republic National Bank of New York, New York
Other affiliates and offices in: Beirut, Bogota, Brussels, Buenos Aires, Caracas, Chiasso, Frankfurt, London, Luxembourg, Mexico City, Montevideo, Nassau, Panama City, Paris, Rio de Janeiro, São Paulo, Tokyo.

Company Reports

Revenue, Profits in Millions of Dollars

	1978	1977		1978	1977
Hewlett-Packard			Year		
3rd Quarter			Revenue	1,510	1,380
Revenue	428.10	341.00	Profits	37.58	37.41
Profits	33.20	30.50	Per Share	4.03	4.01
Per Share	1.14	1.07			
4th Quarter			Woolworth (F.W.)		
Revenue	1,210	980.90	2nd Quarter		
Profits	101.40	88.70	Revenue	1,420	1,290
Per Share	3.51	3.14	Profits	15.88	15.35
			Per Share	0.51	0.08
Quaker Oats			4 months		
Revenue	418.50	376.50	Revenue	2,650	2,440
Profits	19.60	9.30	Profits	26.20	10.36
Per Share	0.97	0.45	Per Share	0.83	0.29
Year					
Revenue	1,690	1,550			
Profits	68.80	62.40			
Per Share	3.34	3.01			
Int'l Harvester					

12 Month Stock		Div. in \$		Yld.	P/E	Sis. 100s.	Close		Pr
High	Low						High	Low	Quot, Clo

[illegible]

in the past five years, MAPCO dividends have grown from 27¢ in 1973 to \$1.20 in 1978. And our first quarter 1978 increase is the 14th dividend increase in 13 years. It's an impressive growth picture for any company.

Interested? Write for MAPCO's latest report. It's good reading.



3W	11	FRONT	1.04	8.8	14	14	12	11%	11%
7W	6 1/2	FRVbK	.47	7.1	7	48	6%	6 1/2	6% + 1/2
5W	21 1/2	FRWisc	1.76	7.1	7	2	24%	24%	24%

AUG. 17, 1978

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**APCO
IDENTS
AGAIN.
HAT'S
LOWTH.**

1990

Sales figures are unaffiliated

—**N**—New yearly loss. —**Y**—New yearly high.

Unless otherwise noted, ratios of dividends in the foregoing are annual disbursements based on the last quarterly semi-annual declaration. Special or extra dividends or amounts not designated as regular are identified in the following footnotes.

—**A**—Also extra or extras. —**A**—Annual rate plus stock dividend.

—**L**—Liquidating dividend. —**D**—Declared or paid in preceding months. —**D**—Declared or paid after stock dividend or **non-v**—Paid this year, dividend omitted, deferred or no action taken.

—**Y**—Yearly. —**Y**—Yearly dividend declared in preceding year or initiative issue with dividends in **non-v**. —**N**—New issue. —**D**—Declared or paid in preceding 12 months plus stock dividend.

—**P**—Paid. —**P**—Paid in preceding 12 months, estimated cash value, ex-dividend or ex-distribution date.

—**E**—Ex-dividend or ex-rights. —**E**—Ex-dividend and sales in **Y**.

—**S**—Sales in full.

cl—Cash. **wd**—Without distributed. **w**—When issued. **w**—With warrants. **wd**—Without warrants. **wd**—Ex-distribution.

vi—In bankruptcy or receivership or being reorganized under the Bankruptcy Act, or in arrears incurred by such companies.

Yearly figures and notes reflect the previous 22 weeks plus 12 months, but not the current month.

CONSOLIDATED STATEMENT OF INCOME

In the first six months of 1978, Industries sales and revenues were a record \$1.052 billion. This 14.3 percent increase over the first half of last year marks the first six-month period in Industries' 13 year history to surpass billion in sales.

also posted a record, contributing \$19.4 million as compared to \$18.6 million for the same period in 1977.

The Real Estate and Financial Services Groups were also ahead of last year. Real Estate reported \$2.1 million in pre-tax income, up from \$1.2 million in 1977. Financial Services contributed

Service shops in the second quarter, bringing the worldwide total to 1,053.

And sales of the diversified line of Midas commercial and recreational vehicles reached record levels.

**What's new
at IC Industries?**

Record second-quarter net income up 21 percent.

Net income for the second quarter is a record \$29.2 million. It was a 21 percent increase over last year's second quarter and was the highest net income for the company in any three-

\$2.9 million in surpassing last year's second quarter.

The Transportation Group had pre-tax income of \$10.1 million, a 59.2 percent increase over the same three-month period last year. In fact, it was the best quarterly earnings for the Group since the Illinois Central Gulf Railroad

IC Industries is proceeding with its offer to purchase controlling interest in Pet Incorporated. Pet Incorporated is a processor, manufacturer, marketer and distributor of food products and store equipment, with annual sales in excess of \$1 billion.

The acquisition of Pet will increase IC Industries' food and drink

All five operating groups ahead of last year's performance.

Pre-tax income for the second quarter was up 21.1 percent over last year, with each of the five operating groups posting increases.

The Consumer Products Group achieved a new second quarter pre-tax income record of \$15.2 million, a 15 percent increase over the comparable period of last year. Commercial Products

was created in August of 1972 through the merger of Illinois Central and Gulf, Mobile and Ohio railroads.

**Consumer Products
second-quarter
sales up 23 percent.**

The IC Industries Consumer Products Group, composed of Midas-International and three soft drink companies, had record second quarter sales of \$152 million, up 23.4 percent over 1977.

Midas opened an additional 31

IC Industries Consumer Products business three-fold and increase the company's total sales to an annualized rate of over \$3 billion.

If you'd like to know more about our growing international multibusiness corporation, write: IC Industries, Inc., European Office, 55, chemin Moise Duboule, Tel.: CH-1209, Geneva, Switzerland.

IC Industries

Diversified in five business groups:
Commercial Products, Consumer Products, Real Estate
Financial Services, Transportation, Leisure/Recreation

	1978			
	Yest	Prev	High	L
Amsterdam	94.60	94.10	94.60	85
Brussels	115.60	115.00	115.60	94
Frankfurt	154.62	154.26	157.17	143
London 30	509.30	510.80	514.20	439
London 500	253.48	253.26	265.50	205
Milano	64.60	64.25	64.40	45
Paris	116.60	116.47	117.44	76
Sydney	533.75	531.32	533.75	364
Tokyo (n)	471.23	471.59	425.51	344
Tokyo (o)	5,469.44	5,477.93	5,440.63	3,867
Zurich	313.00	309.70	342.00	292

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ies. London commodities closing prices are unavailable today. The IHT regrets the inconvenience.

CLAIRE STERLING
ON ITALIAN POLITICS

International Herald Tribune

SECURITIES AND EXCHANGE COMMISSION,	}	72 CH. 5001 (CES)
<i>Demandeurs,</i>		
—contre—		
ROBERT L. VESCO, et consorts.		
<i>Défendeurs.</i>		

**AVIS D'AUDIENCIE SUR LE REGLEMENT DE REVENDICATIONS
FORMULEES PAR L.O.S., LTD. ET DES SOCIETES
APPARENTEES CONTRE INTERNATIONAL CONTROLS CORP.**

Plus tard, le 10^{er} Grand Jury, chargé des affaires de l'American Overseas Fund, Limited, IIT, an International Investment Trust, Venture Fund (International) N.Y. (collectivement dénommés ci-après le "Groupe IOS"), et les administrateurs, syndics et liquidateurs respectifs du Groupe IOS. Aux termes de la Convention, la Société s'est engagée à payer au Groupe IOS la somme de \$ 11.000.000 en règlement de toutes les revendications découlant de ses transactions avec le Groupe IOS et les autres personnes et entités apparentées à LOI. En contrepartie le Groupe IOS s'est engagé à tenir la Société

[illegible]

l'indépendance, l'innovation et le management à agir comme moyen de défense, en réalité on de toute autre manière, contre une telle revendication en opposition.

Une audience sera tenue à 15 heures, salle 519, United States Courthouse, Foley Square, New York, pour statuer sur l'approbation de la Convention. L'audience pourra être suspendue de temps à autre. A l'audience, quiconque aura à formuler une revendication contre la Société déclinant des transactions de celle-ci avec l'O.R.S., pourra présenter tout document en rapport avec sa revendication. Les personnes qui ont obtenu une audience au Tribunal ont le droit de participer à la Convention sous réserve de l'approbation du Tribunal ou de l'absence d'opposition. Les personnes entendues par le Tribunal ou toute personne sollicitant une audience au Tribunal des décisions ou conclusions, ne pourront le faire que si elles ont son intention de comparaitre et après un certain nombre de pièces ou conclusions ont été considérées au Greffe du Tribunal le 11 septembre 1978 au plus tard et normalement.

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Washington, D.C. 20549

UNITED STATES OF AMERICA)
vs.)
PACIFICORP, INC., et al., Defendants)
et al.,)
Defendants)
United States District Court for the Southern District of New York)

1219) 486-2550.
 New York, New York
 Le 14 Juillet 1978

Journal of Management Education 36(8) 907-924
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International Bonds Traded in Europe

[illegible]

ECS 734-84	94 1/2	95 1/2	Shell 7 1/2-87	96	97	Morgan JF 4 1/4-87	101	103
ECS 834-87	99 1/4	100 1/4	Singer 8 3/4-82	99	100	Nobilco 5 1/4-88	102 1/2	104 1/2
ECS 834-87	95 1/4	96 1/2	Shed 8 3/4-88	99 1/4	100 1/4	Owens III 4 1/2-87	118 1/2	120 1/2

[illegible]

Home Oil 9 1/2-86	100 1/4	101 1/4	Amexco 4 1/4-87	82 1/2	84 1/2
ICI 8 1/4-87	96 1/2	97 1/2	Beatrice 6 1/4-91	112	114
ISE Cnda 9-82	102	103	Beatrice 4 1/4-92	97 1/2	99 1/2

Bondtrade—Index
Basis Dec. 31, 1966 = 1000


[illegible]

ATVCom	5172	33	Exor Int	878	878	Loma Res	248	248	Sodifar	34	44
AWelcom	164	174	Econ Lab	224	224	LoneCo	244	254	ScandN	3 13-16	4 1-16
Amber	314	3 7-16	EliposEl	1114	1114	LtdStor	1514	1614	ScribH	82	91
Amelit	314	414	Elirich	714	814						

[illegible]

ClowCp	12%	13%	InfraInd	5	5%	OverAir	6%	6%	WghtWa	23%	23%
ColuVent	2%	3%	InfraCo	3	3%	PCAInt	13%	13%	Weldm	2%	3%
			IntstCo	57	58%	Pabst	20%	20%	WlgtmMn	7%	8%

19%	10%	IntEnrE	4%	7%	pcGoR	24%	25%	WellsCo	3%	2%	
ConSt	3%	Infarmk	13%	14%	Poueyr	9%	10	WtHds	4	4%	
CmwTel	29	35	IntnG	13%	13%	PeerM	11%	12%	WmorC	30%	21
Can	4%	41	IntkWh	8%	9	PenoEn	16%	17	WoodLo	26%	27%
ConPac	54%	57%	IntSolJ	26%	27%	PeterH	19%	20	WvEnE	6%	7
Crowd	31%	32%	JonWPr	11%	12%	Petrin	41	42	WrightW	26%	27%
CulrFed	1%	2%	Jamsby	17%	18%	Petibon	21%	22%	ZionUta	35%	36%



GENERALI

Assicurazioni Generali S.p.A.

Report of the Board of Directors		
1977 Highlights		
<u>GROUP</u>	(000 US Dollars)	
Total Premium Income	2,427,545	(+21.7%)
Total Assets	4,818,260	(+20.3%)
<u>PARENT COMPANY</u>	(000 US Dollars)	
Income	892,790	
Premiums: gross	949,764	
ceded	178,757	771,007

Other income	10,247
--------------	--------

Expenditure	866,608
Claims, maturities and surrenders	379,418
Increase in technical reserves	217,213
Acquisition and Management expenses	262,507
Taxes	7,470
Profit	26,182
Per share	(Dollars)
Profit	1.59
Dividend	0.69

● Part of the profit of the 1977 Balance Sheet of the

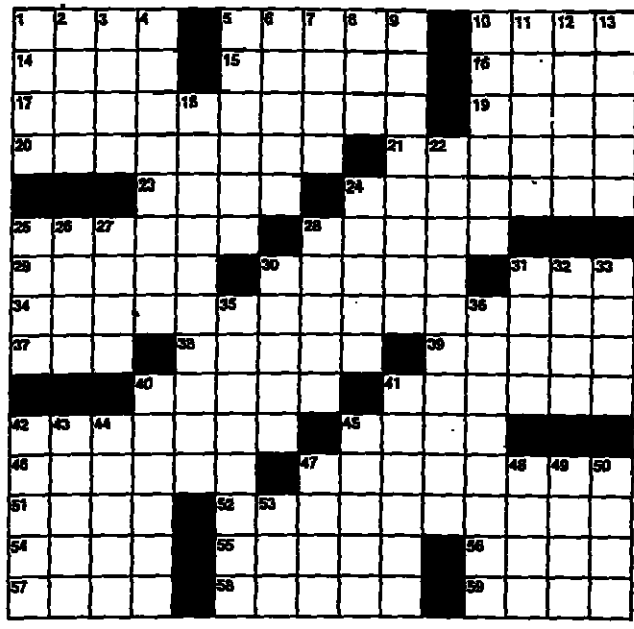
- Parent Company, i.e. 11.5 million dollars, has been allocated to a new taxed dividend equalization reserve.
- The capital has been increased from 75.5 to 90.6 million dollars through the scrip issue in the proportion of one new share for every five old shares.
- Two new Subsidiaries have been incorporated in Austria: „Generali Allgemeine Lebensversicherung“, a Life Company, and „Generali Allgemeine Versicherung“, operating Non-Life.
- The capital of Generali's holding Subsidiary „Gefina“ is in the process of being increased from 5.7 to 63.1 million dollars.
- Mr. C. Merzagora, Chairman: Mr. E. Randone, Vice Chairman and Managing Director: Mr. C. De Benedetti and Mr. M. Luzzatto, Vice-Chairmen have been re-

appointed Managing Directors. Mr. F. Fegitz, the London Representative, has been appointed Central Manager.

_____ *Assistant General Manager.*

CROSSWORD

By Eugene T. Maleska



ACROSS

- 1 Swiss painter: 1879-1940
5 Tallow sources
10 Porsena
14 Ensuing
15 Visual
16 Invention seed
17 Nevil Shute book (with 34 and 52)
18 Across, a summer observation)
19 Ray Guy specialty
20 Last place, in sports
21 "Purple Dust" playwright
23 Incursion
24 Dean Martin, frequently
25 Open to view
28 Medical measurement
29 Violinist Stern
30 Tropic source
31 Pace
34 Sky formation
37 Rhode Island
38 Whittled
39 Stage designer
40 Storied pachyderm

DOWN

- 41 Genuflects
42 Without being spoken
43 Black-fin snapper
44 Orbital extremity
45 Line drive
46 "The King and I" sound effect
47 Loses purposely
48 Yea
49 "Mother ——" Kipling
50 Zeno of ———
51 Rigel or Altair
52 Hamburger serving
53 Mail
54 Handle of a sort
55 Yakutsk's river
56 Second phones: Abbr.
57 "Ames!"
58 Bowl over
59 Coup d'—
60 Nervous twitch
61 Like a Ph.D.
62 Digestive enzyme
63 Parched
64 Actress Taylor
65 Wanton deity
66 Unfetter
67 Sight from Baku
68 Like some paper
69 Crux
70 She wrote "Mothers"
71 Captured, to Cowper
72 Less colorful
73 Digress
74 "... baked in —"
75 D.D.E. was one
76 Smelter fodder
77 Type of photograph
78 The seven daughters of Atlas
79 Two, vis-à-vis one
80 Coarse woolen cloth
81 Iberian river
82 To the left, at sea
83 Line dance
84 Shortfute
85 Short parody
86 Miss's proverbial equivalent
87 Balanced
88 Have an audition
89 Candelum tree

WEATHER

	C	F		C	F		
ALGARVE	18	64	Fair	MADRID	27	81	Fair
AMSTERDAM	16	61	Cloudy	MIAMI	29	84	Fair
ANAKA	20	68	Cloudy	MILAN	22	72	Cloudy
ATHENS	24	75	Cloudy	MONTREAL	24	75	Cloudy
BELIRU	28	82	Fair	MOSCOW	17	63	Cloudy
BERLIN	20	68	Fair	MUNICH	18	64	Overcast
BERLIN	20	68	Showers	NEW YORK	30	86	Fair
BRUSSELS	19	66	Fair	NICE	24	75	Fair
BUCHAREST	27	81	Fair	OSLO	17	63	Rain
BUDAPEST	26	79	Mist	PARIS	20	68	Cloudy
CASABLANCA	24	75	Fair	PRAGUE	20	68	Showers
COPENHAGEN	16	61	Cloudy	ROME	28	82	Cloudy
COSTA DEL SOL	26	79	Fair	SOFIA	24	75	Fair
DUBLIN	17	63	Overcast	STOCKHOLM	21	70	Cloudy
EDINBURGH	18	64	Fair	TEHRAN		N.A.	
FLORENCE	24	75	Cloudy	TEL AVIV	31	88	Fair
FRANKFURT	20	68	Showers	TOKYO	27	81	Cloudy
GENEVA	15	59	Cloudy	TUNIS	31	88	Fair
HELSINKI	14	57	Mist	VIENNA	21	70	Overcast
ISTANBUL	28	82	Fair	WARSAW	20	68	Overcast
LAS PALMAS	24	75	Fair	WASHINGTON	22	80	Fair
LISBON	20	68	Fair	ZURICH	19	66	Cloudy
LONDON	18	64	Cloudy				
LOS ANGELES	18	64	Cloudy				

(Yesterday's readings N.A. and Cloudy at 1700)

(Vastard's readings U.S. and Canada at 1700 GMT; all others at 1200 GMT.)

INTERNATIONAL FUNDS

ADVERTISEMENT

August 17, 1978

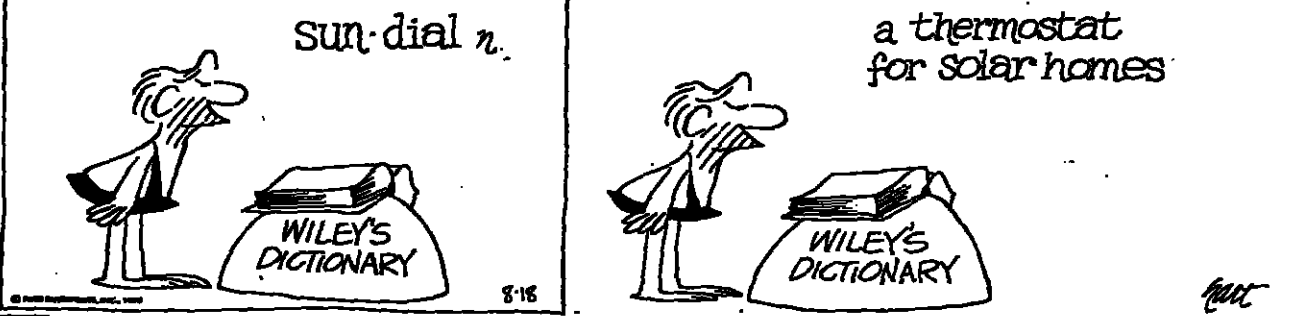
The net asset value quotations shown below are supplied by the funds listed with the exception of some Swiss funds whose quotes are based on last prices. The following margin of symbols indicate frequency of quotations supplied by the DFI: (d)—daily; (w)—weekly; (m)—monthly; (q)—quarterly; (y)—yearly.

BANK JULIUS BAER & Co. Ltd.		Other Funds	
(w) Boarder	SP 704.70	(w) American Fund	SP 704.70
(d) Concor	SP 690.00	(w) Eurofund	SP 719.00
(d) Gruber	SP 719.00	(w) Eurofund	SP 719.00
(d) Stocker	SP 719.00	(w) Eurofund	SP 719.00
BANQUE VON ERNST & Co. Ltd.		Other Funds	
(d) CEF Fund	SP 15.89	(w) Capital Investment	SP 15.89
(d) CEF Fund	SP 15.89	(w) Capital Investment	SP 15.89
(d) CEF Fund	SP 15.89	(w) Capital Investment	SP 15.89
BRITANNIA TRUST MGMT. (C) Ltd.		Other Funds	
(w) Universal Dollar Trust	SP 15.89	(w) Capital Investment	SP 15.89
(w) High Interest Trust	SP 15.89	(w) Capital Investment	SP 15.89
(w) High Interest Trust	SP 15.89	(w) Capital Investment	SP 15.89
CAPITAL INTERNATIONAL		Other Funds	
(w) Capital Int'l Fund	SP 15.89	(w) Capital Investment	SP 15.89
(w) Capital Int'l Fund	SP 15.89	(w) Capital Investment	SP 15.89
(w) Capital Int'l Fund	SP 15.89	(w) Capital Investment	SP 15.89
CREDIT SUISSE		Other Funds	
(w) Actions Suisse	SP 341.00	(w) Capital Investment	SP 15.89
(w) Actions Suisse	SP 341.00	(w) Capital Investment	SP 15.89
(w) Actions Suisse	SP 341.00	(w) Capital Investment	SP 15.89
G.T. (BERMUDA) LIMITED		Other Funds	
(w) Berry Pac. Fd. Ltd.	SP 15.89	(w) Capital Investment	SP 15.89
(w) Berry Pac. Fd. Ltd.	SP 15.89	(w) Capital Investment	SP 15.89
(w) Berry Pac. Fd. Ltd.	SP 15.89	(w) Capital Investment	SP 15.89
JARDINE FLEMING		Other Funds	
(w) Jardine Invest. Fund	SP 15.89	(w) Capital Investment	SP 15.89
(w) Jardine Invest. Fund	SP 15.89	(w) Capital Investment	SP 15.89
(w) Jardine Invest. Fund	SP 15.89	(w) Capital Investment	SP 15.89
LOYDS INT. MGT. PO Box 179 GENEVA 11		Other Funds	
(w) Lloyds Int'l Growth	SP 341.00	(w) Capital Investment	SP 15.89
(w) Lloyds Int'l Growth	SP 341.00	(w) Capital Investment	SP 15.89
(w) Lloyds Int'l Growth	SP 341.00	(w) Capital Investment	SP 15.89
SOPID GROUPE GENEVA		Other Funds	
(w) Parton Sw. Res. Est.	SP 15.89	(w) Capital Investment	SP 15.89
(w) Parton Sw. Res. Est.	SP 15.89	(w) Capital Investment	SP 15.89
(w) Parton Sw. Res. Est.	SP 15.89	(w) Capital Investment	SP 15.89
SWISS BANK CORP.		Other Funds	
(w) American-Volvo	SP 341.00	(w) Capital Investment	SP 15.89
(w) American-Volvo	SP 341.00	(w) Capital Investment	SP 15.89
(w) American-Volvo	SP 341.00	(w) Capital Investment	SP 15.89
UNION BANK OF SWITZERLAND		Other Funds	
(w) Amco U.S. Sh.	SP 341.00	(w) Capital Investment	SP 15.89
(w) Amco U.S. Sh.	SP 341.00	(w) Capital Investment	SP 15.89
(w) Amco U.S. Sh.	SP 341.00	(w) Capital Investment	SP 15.89
UNION INVESTMENT FRANKFURT		Other Funds	
(w) American-Volvo	SP 341.00	(w) Capital Investment	SP 15.89
(w) American-Volvo	SP 341.00	(w) Capital Investment	SP 15.89
(w) American-Volvo	SP 341.00	(w) Capital Investment	SP 15.89

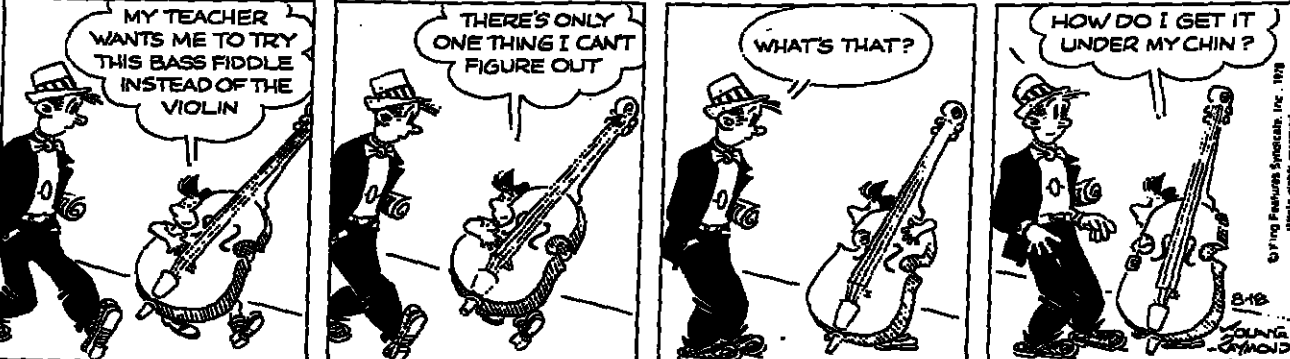
PEANUTS



B.C.



BLONDIE



BEETLEBAILEY



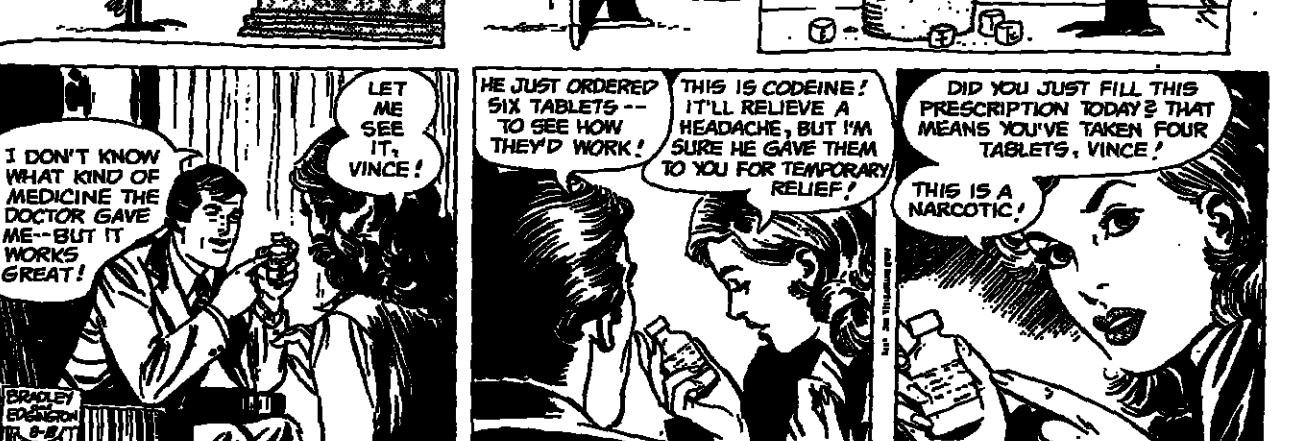
ANDY CAPP



WIZARD OF ID



REX MORGAN M.D.



RIP KIRBY



JUMBLE



DENNIS THE MENACE



BOOKS

RUSKIN

By Quentin Bell, George Braziller, 164 pp. \$8.95.

Reviewed by Anatole Broyard

WHEN the Labor Party first emerged in England in 1906 as a political power, it was said, according to Quentin Bell, that "the book which had exerted the greatest influence on the members of this young party was 'Unto This Last' [of Ruskin]." Bell continues: "I have questioned a veteran of the movement who doubts whether any of them had in fact read it. Perhaps they had not; but the mere fact that they felt that they ought to have done so is significant."

This passage is typical of Bell's championing of Ruskin. It also describes my own situation: I had read and heard quite a bit about Ruskin, but had never taken up any one of his books and read it straight through. I felt that I ought to have done so and I hoped that Bell's "Ruskin" would spur me on.

Quite the contrary. After finishing this study, I am confirmed in my disinclination. While Bell's attitude toward Ruskin is that of "with all your faults, I love you still," I now feel as unforgiving toward Ruskin as he did toward Constable, Rembrandt, Michelangelo, Caravaggio, Whistler and hundreds of others. The net effect of Bell's book, which is intended as a panegyric, is to leave me wondering how Ruskin ever exerted any influence at all.

To give him his due, Ruskin championed Turner, though in a way that made even that gentleman uneasy, and he could sometimes paint a lovely picture with words himself. After that, all I can discover to his credit in Bell's book is this: Ruskin tried to buy an Alp; he gave money to anyone who could tell an affecting story of hardship; he found a little girl who had nowhere to play, and he bought her a field; he put his money toward a utopia of modest peasants who were to be ruled by the local gentry, an experiment that was not so much noble as it was a pleasant piece of silliness.

Ruskin changed his mind so often about art that I formed a picture of him as sticking out his tongue at his bathroom mirror every morning and, according to his opinions. He began by saying that good art requires good men in a good society. These men must also have good intentions, for bad intentions will never make good art — a position that eliminates an even larger number of writers than painters.

That Ruskin was able to embrace such notions, Bell suggests, was the result of his grotesquely overprotected childhood and youth, during which his mother accompanied him all through college. Apparently impotent, Ruskin seems to have turned a thwarted sexuality upon painting. As Bell puts it, he felt that it was a critic's job not only to extol, but also to punish. There is a note of hysteria in many of Ruskin's exhortations that again leaves me puzzled that anyone could take him seriously.

Bell's own theory of art criticism is peculiarly suited to Ruskin's. He holds that it doesn't matter whether a critic is right or wrong. All the ideal critic needs is "to feel intensely about works of art" and to have "the power rightly and fully to express his emotions." "The correct principles and theory and so on" are in fact superfluous. All that matters is that burning sincerity and that golden voice.

I can go a small distance here with Bell: I agree that an intensely felt opinion, powerfully expressed, may — even when wrong — sometimes illuminate a work in a perverse way. But this is not the same as elevating such an accident

into a principle. See what Ruskin's "desperate sincerity" results in: After 1845, Bell writes, Ruskin could tolerate no architecture later than the 15th century; no 17th-century artist except Velasquez; no Dutch or Flemish painting; no German, but Durer, French art, for Ruskin ended with the Renaissance and knew nothing of the impressionist paintings and the fact that some of George Eliot's novels were tragedies instead of comedies. "Many animals and flowers are shown with vulgar, vicious and discordant colors," Ruskin wrote, "but all those intended for the service and companionship of man are typically fair in color." Ruskin also flurried in his morality, with notions of "purity of birth" and of descent. "I don't feel that Bell should escape unscathed from this old book, which — inadvertently, as far as I can tell — caricatures Ruskin in attempting to exalt him. While this is its first publication here, 'Ruskin' appeared in England in 1963, before Bell became known for his recent study of Virginia Woolf, in honor of the occasion, Bell has composed a preface for 'Ruskin' in which he says: 'I have seldom written anything with greater pleasure and there is no work by me that I can take from the bookshelves and peruse with less of shame or of regret.' Not satisfied with this, he adds: 'At the risk of sounding immodest, I would say that whatever positive virtues there may be in my own style, whatever skills I have acquired and later used in the writing of biography are due to a year's immersion in Ruskin.'

All I can say to this is that he appears to be as happy with his pronouncements as Ruskin was with his, and with even less reason, for he does not have his master's "angelic" flair for wrongheadedness.

Anatole Broyard is a book reviewer for The New York Times.

First Lady Urges Private Support Of Public plans

WASHINGTON, Aug. 17 (UPI) — In a move to increase her political visibility, Rosalynn Carter is shifting her duties to urging the private sector to become involved in community programs, her press secretary said.

The shift includes a reorganization of Mrs. Carter's White House offices — including the departure of a deputy press secretary — and a stepped up travel agenda beginning in the fall.

"We are reorganizing to better meet Mrs. Carter's needs at this time," said Mary Hoyt, her spokeswoman.

She said that the first lady will take on "a very ambitious schedule and travel across the country to encourage the private sector to be involved in community programs." Mrs. Carter also "will be heavily involved in making the District of Columbia a model city," she said.

She conceded that "in the process there are also painful changes," a reference to the fact that Ann Anderson, a deputy spokeswoman, had her job eliminated. Two positions will be devoted to advancing and scheduling the first lady's trips.

Violence on U.S. TV

CHICAGO, Aug. 17 — U.S. network television is still top-heavy with offensive and violent programming despite efforts to force a clean-up of prime-time shows, officials of the national Parent-Teacher Association have charged. Leaders of the Chicago-based organization said that they expected better quality programming this fall, but they renewed warnings that the world challenge station licenses and pressure advertisers on objectionable programs if things did not improve.

BRIDGE

By Alan Truscott

As a study of the diagram will show, the normal 6-2 heart fit runs into a disastrous trump break, but four spades, with a 5-2 fit, has a chance.

North-South succeeded in avoiding hearts, and reached four spades after the sequence of one spade, two hearts, three clubs, three hearts, three spades, four spades. The defense led diamonds, and continued the suit. South led a heart, and was not hurt when West ruffed and led a club. The declarer was able to win, draw trumps, and take a finesse against West's club jack to make 10 tricks.

In the replay, North-South reached four hearts after the sequence shown. One club was Precision, strong and artificial. After the positive response of one heart, North was asked to describe his general strength and heart quality in steps. The rest of the auction was natural, and North was about to go down two tricks or so in four hearts. But East decided to be greedy and doubled.

South worked out that the hearts must be breaking badly. He retreated to four no-trump, and redoubled when East doubled again. A diamond lead would have been best for the defense, but West had little

clue and led a spade. South ran his spades and then led to the club king in dummy.

When the queen appeared on his right, it was an easy matter to duck a club to West. It was then simple to bring home 10 tricks with five spades, three clubs and one trick in each red suit.

NORTH
♠ 87
♥ A Q 7 6 5 3
♦ 10
♣ K 6 2

WEST
♠ 9 4 3
♥ 3 7 6 2
♦ J 8 5 4 3

EAST
♠ 6 5 2
♥ K J 10 8 8
♦ A 5 4 3
♣ Q

SOUTH (D)
♠ A K Q J 10
♥ 4 2
♦ K 8
♣ A 10 9 7

Both sides were vulnerable. The bidding:

South West North East

1♣ Pass 1♣ Pass

1NT Pass 3♣ Pass

2NT Pass 3♥ Pass

4♥ Pass 4♥ Pass

4NT Pass 4NT Pass

Redbl. Pass Pass Pass

West led the spade three.

JEYICOLISD

Expos Win on Fryman's 1-Hitter

Giants Topple From First Position

MONTREAL, Aug. 17 (AP) — Oodie Fryman pitched a one-hitter and Larry Parrish drove in a run with a triple in the ninth inning last night as the Montreal Expos edged San Francisco, 1-0, dropping the Giants out of first place in the National League West.

Fryman (7-7) gave up a single to Fred Evans in the second, walked two batters and struck out on the way to his fourth consecutive game of the season. Fryman, 33, joined Montreal in early June, threw the second one-hitter of his career. He one-hit the Mets 3, 1975.

Vida Blue (16-6) gave up only one hit, walked four and struck out eight.

The Expos got to Blue in the ninth when Tony Perez hit a one-out single and scored one out later. Parrish's triple to center. The hit between Clark and Larry

Herdon and deflected to the wall of Clark's outstretched glove. Herdon bobbled the ball at the wall and Parrish went into third standing up.

Dodgers 5, Phillies 2

At Philadelphia, Reggie Smith hit a third-inning grand slam home to support the six-hit pitching of Rookie Bob Welch, lifting Los Angeles to a 5-2 triumph over the Phillies and into first place in the National League West. Smith connected off loser Jim Kaat, 6-5, to enable Welch to post his fifth victory in as many decisions. The right-hander scattered six hits, struck out five and walked two en route to his second complete game.

Braves 9, Cubs 0

At Chicago, Phil Niekro posted his 19th career victory with a three-

hitter and Jeff Burroughs and Joe Nolan hit sixth-inning homers as Atlanta defeated the Cubs, 9-0. Niekro (15-12) and loser Mike Krukow (5-1) each gave up only two hits through five innings.

Padres 2, Mets 1

At New York, Derrell Thomas hit a two-out, two-run homer off reliever Skip Lockwood in the ninth inning to give San Diego a 2-1 triumph over the Mets. Jerry Koosman, the New York starter, coasted into the ninth with a six-hitter. Dave Winfield doubled to center with one out. Lockwood then relieved and retired pinch-hitter Jerry Turner on a long fly to right as Winfield advanced to third. Thomas then connected for his second homer of the season, giving Lockwood his 10th loss against 7 victories.

Astros 4, Cardinals 2

At St. Louis, Knickerbocker Joe Niekro pitched a six-hitter and Art Howe hit two run-scoring singles to lead Houston past the Cardinals, 4-2. Niekro (10-9) struck out five and walked one. He lost his shutout in the eighth on George Hendrick's 14th home run, a two-run shot.

Pirates 13, Reds 2

At Pittsburgh, Dave Parker hit the fifth and sixth homers of his last seven games to lead the Pirates to a 13-2 victory over Cincinnati and helped John Candelaria to his first victory in more than a month. Parker gave Pittsburgh a 2-0 lead with a two-run homer in the first off Cincinnati starter Bill Bonham (9-3). Cincinnati, which has lost 7 of 9 games, tied the score in Vic Correll's two-run single in the fourth.

Red Sox 4, Angels 2

At Anaheim, Calif., Boston scored twice in the top of the ninth inning with the aid of three California errors to beat the Angels, 4-2. George Scott opened the Boston eighth by coaxing a walk off loser Nolan Ryan (6-11). Ryan then bled Hobson's sacrifice bunt, allowing Scott to go to second and Hobson to reach first. Rick Burleson popped a bunt to Ryan — who threw to first base, attempting to double off Hobson. The ball got away from Bobby Grich and rolled into the Red Sox dugout, allowing Scott to score and Hobson to go to third. Jerry Remy, who had his 19-game hitting streak broken, laid down a squeeze bunt to score Hobson and was safe when first baseman Don Baylor made a poor throw to Grich covering first.

Yankees 5, A's 3

At Oakland, Calif., Bucky Dent hit his fourth home run leading off the seventh inning, breaking a 3-3 tie as New York and Catfish Hunter beat the A's, 5-3. Hunter (7-4) won his fifth game since coming off the disabled list July 17. The veteran right-hander worked six innings, allowing seven hits. Sparky Lyle came on to pitch the final three innings for his eighth save.

White Sox 6, Rangers 2

At Arlington, Texas, Claudell Washington singled, doubled and tripled and scored three times as Chicago beat the Rangers, 6-2. Rob Baumgardner got the victory in his major league debut. He allowed only five hits, struck out two and walked four in the sixth inning he worked before yielding to Lerrin LeGrow in the seventh.

Brewers 3, Blue Jays 1

At Milwaukee, Paul Molitor's two-run bloop single capped a three-run seventh inning as the Brewers beat Toronto, 3-2, for a doubleheader sweep. Milwaukee won the first game, 8-1, as a two-run homer and an RBI single by Robin Yount, a solo homer and RBI double by Larry Hise and a bases-empty homer by Charlie Moore backed Mike Caldwell's six-hit pitching.

Twins 5, Royals 1

At Bloomington, Minn., George Brett's three-run homer in the seventh inning capped a four-run outburst and gave Kansas City an 11-7 victory over the Twins and a split

of their doubleheader. In the opener, Glenn Adams and Rod Carew each drove in two runs as Minnesota won, 5-1.

Mariners 7, Orioles 5

At Seattle, Leon Roberts drove in five runs with a two-run homer in the first inning and a three-run shot in the fifth to give the Mariners a 7-5 victory over Baltimore. Roberts, acquired from Houston in an off-season trade, hit both his 19th and 20th home runs with two outs.

Tigers 2, Indians 0

At Detroit, Jack Billingham scattered seven singles and posted his fourth shutout in his last six starts last night as the Tigers defeated Cleveland, 2-0. Billingham seemed to get stronger as the game progressed, retiring 15 in a row beginning in the fourth inning. The triumph was Billingham's eighth straight and improved his record to 13-5.

UP
Expos' Dave Cash leaps over Giants' Mike Ivie in finishing a double play Wednesday.



National League Again Rejects Designated Hitter

Realignment Into 3 Baseball Divisions Is Studied

ST. LOUIS, Aug. 17 (AP) — National League owners are still opposed to the designated hitter in baseball, but realignment of the American and National leagues into three divisions remains a possibility.

National League owners voted 9-3 yesterday at major league baseball's summer meeting to reject

CFL Standings

EASTERN CONFERENCE				
Team	W	L	PF	PA
Ottawa	4	1	8	7
Montreal	3	2	8	8
Toronto	3	2	0	14
Hamilton	1	4	1	14

WESTERN CONFERENCE				
Team	W	L	PF	PA
British Columbia	4	1	0	17
Calgary	3	2	1	10
Winnipeg	2	3	0	12
Saskatchewan	0	5	0	16

AMERICAN LEAGUE				
Team	W	L	PF	PA
First Game	000 000-1	4	2	
Kansas City	410 000-5	1	3	
Minnesota	410 000-5	1	3	
Second Game	000 000-1	4	2	
Kansas City	011 000-2	1	3	
Minnesota	011 000-2	1	3	

AMERICAN LEAGUE				
Team	W	L	Pct.	GB
Boston	7	5	.583	—
New York	6	6	.500	1 1/2
Milwaukee	6	6	.500	1 1/2
Pittsburgh	6	6	.500	1 1/2
Baltimore	5	5	.500	2 1/2
Cleveland	5	5	.500	2 1/2
Toronto	4	7	.364	3 1/2

WESTERN LEAGUE				
Team	W	L	Pct.	GB
Kansas City	4	5	.444	—
California	4	5	.444	—
Texas	3	6	.333	1 1/2
Oakland	3	6	.333	1 1/2
Minnesota	3	6	.333	1 1/2
Seattle	2	7	.222	2 1/2

AMERICAN LEAGUE				
Team	W	L	Pct.	GB
First Game	000 000-1	4	2	
Kansas City	410 000-5	1	3	
Minnesota	410 000-5	1	3	
Second Game	000 000-1	4	2	
Kansas City	011 000-2	1	3	
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NASC Playoffs

AMERICAN CONFERENCE				
Team	W	L	PF	PA
Second Round	000 000-1	4	2	
San Diego	410 000-5	1	3	
Los Angeles	410 000-5	1	3	
Third Round	000 000-1	4	2	
San Diego	011 000-2	1	3	
Los Angeles	011 000-2	1	3	

NATIONAL CONFERENCE				
Team	W	L	PF	PA
Second Round	000 000-1	4	2	
San Diego	410 000-5	1	3	
Los Angeles	410 000-5	1	3	
Third Round	000 000-1	4	2	
San Diego	011 000-2	1	3	
Los Angeles	011 000-2	1	3	

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Second Round	000 000-1	4	2	
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Realignment Into 3 Baseball Divisions Is Studied

ST. LOUIS, Aug. 17 (AP) — National League owners are still opposed to the designated hitter in baseball, but realignment of the American and National leagues into three divisions remains a possibility.

National League owners voted 9-3 yesterday at major league baseball's summer meeting to reject

adoption of the designated-hitter rule now used in the American League.

The status has not changed. National League President Club Feeney said during a news conference at the close of the daylong session. "Owners do not feel they want to go that route at this time."

Commissioner Bowie Kuhn said that a proposal to realign both leagues into three divisions was forwarded by the leagues to a 10-man study committee.

Consultant Likely
"A study committee would be useful to determine exactly what [realignment] would entail regarding scheduling, etc.," Feeney said. The two leagues will likely have a consultant firm to help map out such a plan, he indicated.

Also tabled was a proposal by some American League owners for interleague play. Neither that proposal nor the recommendation for standardization of the designated-hitter rule was on the formal agenda of the joint ownership council.

Proposals adopted by the joint council of owners included relaxation of the rule dealing with the option of players to the minor leagues at the outset of the season.

Under the modification, the rule requiring players to remain at mi-

'We Believe in Him'

New Coach of Rams Curbs Allen Policies

By William N. Wallace

NEW YORK, Aug. 17 (NYT) — Although Carroll Rosenbloom was pointed in his denial, the old axiom of professional team sports applied once more: You can't fire the players, but you can fire the coach.

After Rosenbloom, an active owner in the National Football League for a quarter of a century, dismissed George Allen as coach of the Los Angeles Rams, he said: "The players do not help me fire him."

But the circumstances belied the statement with regard to both Allen and his successor, Ray Malavasi.

The 48-year-old Malavasi, a football coach for 23 years but a head coach for only part of one season, has the task of reassembling the

shattered Ram team, and he probably will be quite good at it.

He has been a popular member of the Ram staff since 1973, chiefly as coordinator of the defense, which is the heart of this talented squad. A native of Clifton, N.J., Malavasi was recruited for the U.S. Military Academy, where his first college coach turned out to be Vince Lombardi, who coached the Army line for Earl (Red) Blaik.

But Malavasi was discharged in 1951 along with 90 other cadets, most of them football players, for violations of the academy honor code. He had helped others cope with an engineering examination. A guard, Malavasi finished his playing career at Mississippi State and first reached pro football in 1962 with the Broncos at Denver, where he was head coach for the last 12 games of the 1966 season.

Malavasi, an easy, outgoing coach, immediately curbed Allen's five-hour practices, opened up the pre-dinner period from half an hour to an hour — a period that many players use for beer consumption — and reinstalled his 1977 defenses.

Resisted Allen

He also reinstalled Isiah Robertson, the all-pro linebacker, to the starting lineup, saying: "I've always felt the players were up to the season with are the people you start off with."

Robertson was one of those Rams who resisted that Allen's ways from the start, or even before the start. When rumors reached Tampa, Fla., where the Pro Bowl squads were practicing last January, that Allen might be the successor to Chuck Knox as head coach of the Rams, Robertson said: "If he's coming, I'm going."

Malavasi is also not going to buck the Ram system of delegation of authority, unlike his predecessor. Apart from alienating the players, Allen failed with the Rams because he did not abide by Rosenbloom's rules concerning areas of responsibility. George wanted the total control he enjoyed in Washington, and he also alienated the general manager, Don Klosterman, by convincing Rosenbloom to make a trade that Klosterman viewed as disadvantageous.

That was the exchange that brought Eddie Brown, a kick-return runner, from the Redskins for two promising young guards, Donnie Hickman and Jeff Williams, plus two future draft choices.

'Fair Chance'

In reflection, Rosenbloom said that Allen, to be successful, needed to be both coach and general manager. The owner added: "George is right. I didn't give him a fair chance."

Someone else probably will. Allen's won-loss percentage in 11 seasons in the NFL is .690; he has never had a losing season, and seven of his teams qualified for the playoffs.

Ed Hookstratten, his attorney who also happens to be counsel for the Rams, may have to wait a season to find Allen another job. Meanwhile Allen's feelings are hurt.

"I feel empty, like someone has cut out my heart," he said. His \$200,000 annual salary through 1980 is guaranteed, although the Rams will probably want to make an adjustment, especially if Allen is hired by another team.

Bobick Wins By Knockout

NANUET, N.Y., Aug. 17 (AP) — Heavyweight contender Duane Bobick landed a series of punishing body blows followed by a right hook to the cheek of Jerry Thompson en route to a controversial second-round knockout last night.

Thompson appeared to get up when referee Joe Santarpia's count reached 10, but Santarpia ruled that Thompson's glove was still on the canvas at the end of the count and the fight was over in 2:22.

The knockout was the 36th of Bobick's five-year career and lifted his record to 42-2. Ranked ninth by the World Boxing Association, the 27-year-old is in the first stages of a comeback under new management.

Bobick, 5'10", 215 lbs., is a former professional football player who played for the New York Jets and the New York Giants.

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